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# The National Underwriter

## LIFE INSURANCE EDITION

FRIDAY, NOVEMBER 23, 1934

NOV 23 1934

### EQUITABLE MILESTONES

- |   |  |
|---|--|
| 1859—The Equitable founded on a mutual basis by Henry B. Hyde and associates.   | 1910—First \$100,000 Club organized. Corporate Policy.   |
| 1861—Limit of risk increased from \$5,000 to \$10,000.  | 1911—Group Life Insurance. Refund and Cash Refund Annuities.   |
| 1862—Conditional (Binding) Receipts first authorized.   | 1912—Agency Clubs organized. First Disability Waiver Clause.   |
| 1865—First Dividend Paid to Policyholders at End of First Five Years. First Policy Issued with a Trustee Beneficiary. | 1913—First Policyholders Service Campaign.   |
| 1866—Limit of risk on one life increased to \$25,000.   | 1914—Income Bond.  |
| 1867—Annual Dividends introduced.   | 1917—Double Indemnity. Post Mortem Dividends.  |
| 1868—Deferred Dividend Insurance introduced. Limit of Risk on one life increased to \$50,000.                         | 1919—Educational Fund Agreement.   |
| 1869—Travel and Residence Liberalized. Grace in Payment of Premiums.  | 1920—Endowment Annuity at 65. Group Accident and Health Disability.  |
| 1879—Three-year Incontestable Clause introduced.  | 1921—Limit of risk on one life increased to \$300,000. Additional limits by reinsurance. Retirement Annuity. Salary Continuance Agreement. |
| 1880—Insurance granted to Women. Occupational Sub-Standard Ratings.   | 1922—Cash and loan values given at end of two years. Group Accidental Death and Dismemberment. Limited Owner Policy.                       |
| 1881—Survivorship Annuity.  | 1924—Inheritance Tax service.  |
| 1883—Immediate Payment of Death Claims. Life Annuity.   | 1925—Complete Mutualization under 1917 plan. Age limit reduced to 10.  |
| 1884—Limit of risk on one life increased to \$100,000. 25th Anniversary of the Society.                               | 1926—Two-year Initial Term Policy. Five-year Automatic Term. Non-Medical for Policyholders. Salary Savings.                                |
| 1886—Freedom of Travel and Residence granted. Two-year Incontestable Clause introduced.                               | 1927—Group Annuities.  |
| 1888—Deferred Annuity.  | 1929—Monthly Premium Insurance. General Non-Medical.   |
| 1894—Right to change the Beneficiary.   | 1930—Special Life Annuity.   |
| 1896—Cash Surrender Values first allowed. Limit of risk on one life increased to \$200,000. Policy Loans introduced.  | 1931—Economic Adjustment Policy.   |
| 1900—Automatic Surrender Values. Extended Term Insurance.   | 1933—Optional Retirement Policy.   |
| 1901—First Schools of Instruction for Agents.   | 1934—Family Income Policy. 75th Anniversary.   |
| 1905—Convertible Policy. Two Life Annuity.  |  |
| 1907—Optional Method of Settlement introduced.  |  |
| 1909—Age limit reduced to 15. First Correspondence Course. 50th Anniversary.  |  |

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THOMAS I. PARKINSON, President

New York

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# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Eighth Year—No. 47

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, NOVEMBER 23, 1934

\$3.00 Per Year, 15 Cents a Copy

### New York Agents' Part-timer Plan

State Association Approves Minimum Production Scale at Poughkeepsie Convention

PICK SYRACUSE IN 1935

Committee Which Studied Subject and Drafted Proposal Finds Examinations Are Ineffective

POUGHKEEPSIE, N. Y., Nov. 22.—Taking the stand that control of the quality of life agents can best be handled from within the business rather than through stricter state licensing laws, the New York State Life Underwriters Association at its fall meeting here approved a schedule of minimum production standards for full-time men, part-timers, and brokers.

The plan eliminates the part-timers except in rural sections and in cases where he is in process of transition to full-time work, when the period must be limited to one year. The so-called "one-case" agent is specifically banned. It was voted to recommend the plan to Life Agency Officers Association special committee, of which Vice-president F. H. Davis of the Penn Mutual Life is chairman, and to the various local associations belonging to the state body.

#### Minimum Requirements Low

Because of the depression-bred difficulty of getting new business, minimum requirements were held to what was considered a very modest level in order to gain the widest possible adoption, with everyone agreed on some sort of standard. It was felt better to start off in this way than to set the marks so high that adoption would be difficult to get and adherence to the provisions marred by too many exceptions.

The plan, drawn up by a committee headed by Arthur Lewis of Syracuse, calls for the dropping of any new full-time agent who does not produce \$10,000 or three applications during his first three months in the business; that no other company shall contract with him after he is dropped without consulting the first company, and that after being dropped twice he shall not be hired again by any company for three years. If he does not produce at least \$25,000 on at least five applications during his first year, he shall be dropped, with the same provisions as to rehiring by another company.

#### Ask \$50,000 in Second Year

During his second year he must pay for at least \$50,000 on at least 10 lives or else be dropped not to be reengaged without his first company being consulted. For subsequent years the minimum volume and lives is the same, although exceptional circumstances may be considered if it is desired to keep a man on who has not met the quota,

### Unfair Canadian Competition in Sale of Annuities

TORONTO, Nov. 22.—Ever since the depression reached its serious stages, there has been active business in the writing of annuities in Canada. But the life insurance companies have met with serious competition from Canadian government annuities, which is now increased because of the companies' advance in rates. The government, on the other hand, has not raised its charges for annuities.

The companies are in the awkward position of not being able to make too prominent a protest, since this would only draw public attention to the disparity of rates and might divert business into government channels.

#### Dominion Government Plan

Sale of annuities by the Dominion government was started in 1909. They are handled by the annuities branch under the minister of labor, not by the insurance department, which is under the minister of finance. As with the savings bank, the post offices are agencies for sales of annuities. Administration expenses are met by the government. Government annuities are based on 4 percent interest. That was all right so long as insurance companies could earn 4 percent or higher on their funds, but with the gradual decline in interest rates to the present 3½ percent increases in the rates have been imperative. The government of Canada has had a hand in forcing down interest rates generally, and in its refunding operations this autumn offered rates varying from 2.57 percent up to 3.81 percent, according to maturity, to investors. But it continues to allow 4 percent on annuities. The govern-

ment is also using an out-of-date mortality table, which does not provide for adequate rates.

When the government annuities were started in 1909, there was quite a demand, but it slackened, and relatively few were sold from 1913 to 1927. A total of about 20,000 contracts have been sold, over half of these in the past few years. The total purchase money received is \$43,413,000, the year ended March, 1934, setting a new high record of \$5,039,912. The government sells immediate, immediate guaranteed, immediate last survivor, and deferred annuities, the first of these four types accounting for nearly half the present value.

Considerable publicity matter is issued in connection with government annuities, in advertisements, booklets, application forms, circular letters, etc. The publicity does not conceal the fact that the government is meeting part of the expense, but emphasizes that such is the case.

#### Annual Receipts Given

In spite of governmental competition, the life companies operating in Canada have done rapidly increasing business in annuities, the following being a comparison of annual receipts for annuities: 1927, \$999,005; 1928, \$1,897,962; 1929, \$2,169,977; 1930, \$2,165,559; 1931, \$3,404,341; 1932, \$3,026,518; 1933, \$6,894,224.

Demand for annuities has been increased because the wiping out of, or drastic reduction of, estates in the depression years led many people to adopt this means of making the maximum possible provision for old age and for dependents.

but no other company shall hire without consulting the original company if he is dropped.

For rural part-time agents, provisions as to rehiring are the same as for full-timers, but there is no provision as to the first three months and the minimum first year production is \$15,000 on three lives and for the second and subsequent years \$25,000 on five lives. A probationary part-timer must pay for at least \$25,000 on at least five lives in his first year and go on a full-time basis by the end of his first contract year unless there are exceptional circumstances. If he is dropped, however, no other company may contract with him for three years.

#### Brokers Rules Similar

Production qualifications for general insurance brokers are the same as for full-time agents. It was also recommended that efforts be made to help brokers to produce a continuous volume of business. Recognizing the high quality of many brokers, the report states that "brokers of fine character and reputation should be recognized and continued."

In carrying out these provisions the report recommends that general agents and managers should base their requests for licenses for agents upon careful investigation and notify the state insurance department of the discontinu-

ance of agents' contracts, giving the reason, so that the department may build up a file on the status of such men.

There was general agreement that the requiring of written examinations by the state would prove ineffective as a solution of the part-time or unfit agent problem, and only complicate things needlessly. There was abundant testimony that such examinations in other states are so elemental as to be easily passed by anyone with a little cramming, and that any examination for new agents would have to be kept so simple as to be virtually worthless.

Other members of the committee beside Mr. Lewis are Edward Murphy, Rochester; Louis Roth, Buffalo; Julian S. Myrick, New York City, and Spencer McCarty, Albany.

Vice-president C. D. Connell, New York City, commented on the legislative outlook for the coming session, and noted an increasing threat of the savings bank life insurance sponsors. They are better organized this year than at the last session, he said. He mentioned the increasing number of decisions favorable to the various laws modeled on New York's 55-a, which protects life insurance against claims of the insured's creditor, and praised the work of O. F. Grahame of the Guardian Life of New York in getting through the legislature

(CONTINUED ON LAST PAGE)

### Life Presidents' Program Issued

Notable List of Speakers Is Scheduled for Annual Meeting in December

PARKINSON WILL PRESIDE

Eminent Men Both Inside and Outside the Insurance Ranks Are to Speak

The Association of Life Insurance Presidents in constructing its annual programs follows certain traditional lines and because of this a well balanced list is always presented. For instance, it always has some eminent Canadian, usually one prominent in governmental affairs to represent the Dominion, as a number of Canadian life companies are members. This year Col. James L. Ralston, member of parliament and former minister of national defense for Canada, will be the speaker. The association invites a distinguished college president and for 1934 Dr. John Stewart Bryan, the new president of the College of William & Mary of Williamsburg, Va., and well known publisher of the Richmond "News-Leader," will give an address. Furthermore, someone eminent in public life is asked to appear on the program. This year Gov. J. C. B. Ehringhaus of North Carolina will represent statecraft.

#### Secures Notable Medical Speaker

The Life Presidents Association never fails to have a medical speaker on the program and this year Dr. R. A. Fraser, chief medical director of the New York Life, will represent his profession. Furthermore there is always an agency leader invited to speak. In connection with next month's program the association went to the south and chose one of the young agency men of the country, E. B. Stevenson, Jr., vice-president National Life & Accident of Nashville. The program this year is unusually interesting. President Thomas I. Parkinson of the Equitable Life of New York, will preside at the meeting to be held at the Waldorf-Astoria in New York City, Dec. 13-14.

#### Theme of the Convention

The convention theme is "Serving America Through Life Insurance." President Chandler Bullock of the State Mutual Life heads the reception committee and President Leighton McCarthy, president of the Canada Life, is vice-chairman. The program is as follows:

#### Thursday, Dec. 13, 10 a. m.

Thomas I. Parkinson, chairman, president Equitable Life of New York.  
Address by Col. James Layton Ralston, member of parliament and former minister of national defense for Canada, Montreal.

(CONTINUED ON LAST PAGE)

# Company Practices Regarding Changes in Policies Are Considered

One of the most extended discussion periods at the meeting of the American Institute of Actuaries in Chicago was that on policy changes and office practice. There were a number of subheads under this topic and several speakers talked on various topics.

J. C. Rietz of the Midland Mutual Life was the first to speak. One of the questions was: "To what extent are companies charging fees for making changes not provided in the contract?"

Mr. Rietz said the Midland Mutual is making no charge for such service, except for the medical cost. He contended that sound practice is to make a charge for changes, but since it is not the prevailing practice, it would be practically impossible for a single company to start it. It would cause dissatisfaction among policyholders and agents.

## Rate of Discount

Another question was: "What changes are being made in the rate of discount allowed on premiums paid in advance?" Mr. Rietz said the Midland Mutual has been most liberal. It has discounted such premiums at the valuation rate of 3½ percent, but allows additional interest by setting up a special fund. It has allowed withdrawal of the unearned premium on demand. The company is considering several changes.

A third question was: "Should changes be allowed between participating and non-participating policies?" Mr. Rietz contended that such switching should not be allowed. If it were, policyholders would go from one type to the other, depending on the dividend trend.

## Opinion on Rewriting

Another topic was: "Has the rewriting of business proved satisfactory to the insured, agent and company?"

Mr. Rietz said he is somewhat skeptical as to the persistency of this rewritten business. The Midland Mutual, he said, has permitted rewriting in a limited number of cases and allowed a reduced commission, depending on the time the original policy had been in force.

Another question was: "Are there any special legal requirements to watch in connection with the termination of policies at the time the indebtedness with accretions equals the cash value?"

Mr. Rietz said the Midland Mutual only sends notice of such circumstance to holders of paid up policies. Such a notice is not sent in the case of premium paying policies.

Another question concerned practices in connection with complicated special settlement agreements. The Midland Mutual makes no charge for preparing such agreements, Mr. Rietz said. The company, he contended, is often imposed upon. The practice has gone to the extreme.

## Views of J. C. Cameron

J. C. Cameron of Cameron & Chamberlain of Chicago, consulting actuaries, talked on other questions under the general heading of policy changes and office practice. He was interested particularly in conservation and rewriting. He told something of the policies of the Great Southern Life, for which he is the actuary. That company used outside reinstatement men to some extent. The best result in reinstatement, he said, is always obtained by having the assured pay as large amount of cash as possible, upon reinstatement.

As to whether special men should be assigned to such work, he said in a large company the job should be handled through its own specialized department. In a smaller company it would require the training of a number of men and demand considerable attention of certain executives.

F. D. Kineke of the Prudential said the policyholder is susceptible to the suggestion to change his policy when he is finding difficulty in meeting the premium. If he keeps his old policy, he has some loan value to help pay the premium next year. Of 1,000 replacements in 1932, Mr. Kineke said that 58 percent had lapsed during the first 12 months after rewriting. He is opposed to the project.

J. C. Seitz of the Guarantee Mutual Life also devoted attention to the ques-

tion of giving notice. He expressed the belief that notice should be sent to every policyholder on the due date.

L. H. McVity of the Manufacturers Life went back to other questions. He said the only charge his company makes for policy changes is the medical fee. His company, he said, on Jan. 1 will reduce the rate of discount for premiums paid in advance. The Manufacturers Life freely permits switching between participating and non-participating policies. Certain equalizing practices are followed, however.

On the question of rewriting, he said the Manufacturers is satisfied with the results on its rewritten business. Commission is paid to agents on such business, varying with the duration of the original policy. Rewriting is not permitted unless the encumbrance amounts to two-thirds of the available cash value.

Recently the Manufacturers Life completed a review of business rewritten during the last two years. The survey embraced 375 policies rewritten in the amount of \$865,000. It was found that 10 percent of the policies were not taken; 70 percent of the premiums due have been paid; by amount insured 17 percent have acquired new loans and 25 percent have gone on automatic premium loans. Forty-five percent have been paid for in full.

## Paper by I. L. Grimes

Secretary W. F. Poorman of the Institute read a paper contributed by I. L. Grimes of the Mutual Trust Life.

On the question of complicated settlement agreements, he advised against setting up hard and fast rules as to what the company will and will not do. Setting up such rules only invites demands for waiver of the requirements. Some agents, he said, have the installment complex. The smaller the policy, the more complicated seems to be the settlement desired.

Mr. Poorman also made some comments on his own account. He said the Central Life of Iowa, with which he is connected, has been conducting some experiments in rewriting. Total reinstatement amounts to \$1,115,000. Of

that amount much was reinstated more than once, so that ignoring repetition, the amount involved in reinstatements has been \$512,000. He repeated that 47 percent lapsed after being reinstated. The cost of handling the business has been excessive, being more than \$10 per thousand. In the future, he predicted, the cost will prove to be more than the cost of writing new business. In an attempt to bring about greater persistency, the commission arrangement was changed on rewritten business, so that a greater amount would be paid during the second and third years. However, the lapse rate continues between 60 and 70 percent at the end of the first year.

## Opposed to Making Charge

W. H. McBride of the National Life & Accident reverted to some of the other questions. In talking on the point of whether a charge should be made for changes in policies, he said there are two reasons behind requests for change. In the first place, the request may come as the result of bad advice given originally by the agent in the sale, or the request may come because of a change in circumstances or views of the assured. If change is demanded for the first reason, the company should make the change without charge. If it comes for the second reason, he contended, the company can better afford to do it free than to have a competitor do it.

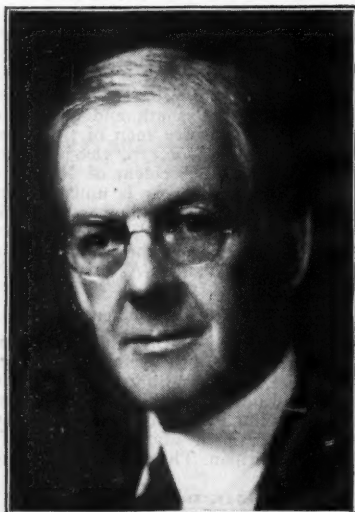
Another speaker gave consideration to the rewriting problem. He said his company tried various methods and found them universally unsatisfactory.

Henry Bossert, Jr., Provident Mutual, said that cash settlements are vital with rewritten business just as they are with new business. He expressed the belief that the quality of reinstated business is not very good. The lapse rate is twice as high.

Conservation at the source is the profitable type. He mentioned the trend to eliminate the part time agent. The Provident Mutual makes an analysis of the quality of business being produced

(CONTINUED ON PAGE 21)

## WILL SPEAK AT LIFE PRESIDENTS CONVENTION



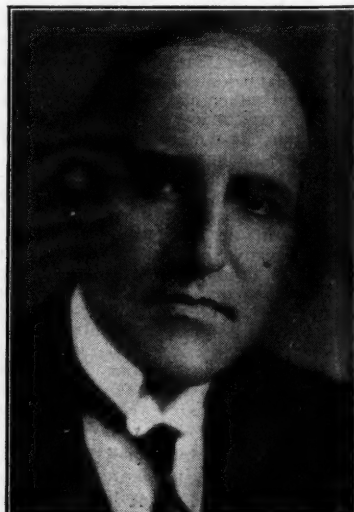
DR. JOHN STEWART BRYAN



J. C. B. EHRRINGHAUS



DR. KARL T. COMPTON



COL. JAMES L. RALSTON

Four leaders outside the insurance business will speak at the annual meeting of the Association of Life Insurance Presidents in New York City. They are

all eminent in their own domain. They are Dr. John Stewart Bryan, the new president of the College of William & Mary at Williamsburg, Va., and pub-

lisher of the Richmond, Va., "News-Leader"; Gov. J. C. B. Ehringhaus of North Carolina; Dr. Karl T. Compton, eminent scientist and president of the

Massachusetts Institute of Technology, and Col. James L. Ralston, member of parliament and former minister of national defense in Canada.



## N.F.C. Meeting to Have Round Table

Will Discuss Three Important Committee Reports at St. Petersburg, Fla.

IN CONVENTION DEC. 4-6

Program Includes Addresses by Commissioners Brown and Knott, Governor Scholtz and Colonel Robbins

Round table discussions on three important subjects will occupy much of the time at the mid-winter meeting of the National Fraternal Congress to be held in the Suwanee hotel, St. Petersburg, Fla., Dec. 4-6. This will be at the same time as the mid-year meeting of the National Convention of Insurance Commissioners in that city, and at least two commissioners will appear on the program at the general sessions, Garfield W. Brown of Minnesota, president of the Commissioners Convention, and W. V. Knott of Florida.

The three major issues to be discussed, following the rendering of committee reports on the subjects, will be valuation of securities, state and municipal bonds and legislative problems.

### Committee Chairmen to Report

Bradley C. Marks, head of the A. O. U. W. of Fargo, N. D., will report as chairman of the committee on valuation of securities. John S. Tolerson, trustee Equitable Reserve Association, Neenah, Wis., is chairman of the bond and service committee, and De E. Bradshaw, head of the Woodmen of the World, Omaha, chairman of the committee on statutory legislation trends.

Valuation of securities is perhaps the most important subject, the NFC having proposed to the Commissioners Convention recently that government, state and municipal bonds in default before Nov. 1, 1932, be valued on the convention basis used for annual statements as of Dec. 31, 1931, less 30 percent of the difference between such values and market price quotations on Nov. 1, 1933.

The tentative meeting program is announced this week. There will be a number of distinguished outside speakers on the program in addition to Commissioners Brown and Knott.

### Details of Program

Either C. F. Kettering of the General Motors Corporation or Arthur Brisbane, editor, it is assured will be secured to talk by A. H. Wagg, president Florida State Chamber of Commerce, which will be meeting at Tampa Dec. 4-5. In addition there will be Col. C. B. Robbins, manager and general counsel American Life Convention, who will speak in the general session, and also G. S. Nollen, president Bankers Life of Des Moines and chairman of the A. L. C., valuation committee.

Governor David Scholtz of Florida and Mayor R. G. Blanc of St. Petersburg are on the program, and George A. Bangs of the United Mutual Life in Indianapolis will deliver a paper on "Co-operation in Protection and Service by Institutions and Other Bond Owners of State and Municipal Securities."

### Executive Committee Session

The executive committee will meet the afternoon of Dec. 3 and the various sessions Dec. 4. The general sessions will be Dec. 5-6, over which Judge John C. Karel of Milwaukee, president of the

(CONTINUED ON LAST PAGE)

## Equitable of New York's New Annuity Rates, Dividends Out

INCREASE SURRENDER CHARGE

New Dividend Scale for Life Policies in 1935 to Be Made Known in a Few Days

Rates and dividends for the new participating life, refund, special life and joint and survivor annuities, effective Dec. 1, and a number of other important changes, including adoption of a new surrender charge plan on life policies, with the charge extended over a longer period, are announced this week by the Equitable Life of New York. The 1935 dividend scale applicable to life policies will be announced in a few days. It will be on a scale moderately reduced.

Vice-president W. W. Klingman, over whose signature the announcement appears, states that fortunately the Equitable's changes will not involve any general recasting of premium rates. With the exception of the annuity contract and the convertible policy, the premium rates in force for years have been on a 3 percent reserve basis.

### New Surrender Value Basis

The new surrender value basis, as indicated in THE NATIONAL UNDERWRITER last week, will carry reduction of values up to the 19th year, applying most heavily in the first few years, but the values for the 20th year and thereafter will be the same as at present, full reserve. The convertible policy values will be on 3 percent reserve basis, the old 3½ percent contract being withdrawn.

A new option will be afforded under this contract except under corporate and limited owner forms, providing the privilege of continuing contract after ex-

(CONTINUED ON PAGE 10)

## Forty-eight Years with Berkshire Are Celebrated



WILLIAM M. FUREY

W. M. Furey of Pittsburgh celebrated his 48th anniversary with the Berkshire Life this week, and also the fifth anniversary of the establishment of the partnership of William M. Furey & Son. A number of life men in Pittsburgh were invited to visit the office. President Fred H. Rhodes, Vice-president H. L. Amber and Medical Director Frank Hernden were all present. Other general agents of the Berkshire who were at hand to pay homage to Mr. Furey were Paul W. Rhodes of the home office general agency at Pittsfield, Mass.; B. C. Howes of Chicago, and E. H. Plummer of Philadelphia.

(CONTINUED ON PAGE 20)

## Industrial Insurers in Silver Jubilee

Most Representative Attendance Features Annual Meeting at Miami

JONES AGAIN PRESIDENT

Suggestion for Amalgamation of All Members' Interests Under One Executive Proposed

### NEW OFFICERS ELECTED

President—Peyton W. Jones, Bankers Health & Life.  
Vice-president—George R. Kendall, Washington National.  
Secretary-treasurer—W. B. Clement, Pilot Life.

Executive committee—C. S. Drake, Empire Life & Accident, chairman; C. A. Craig, National Life & Accident; W. R. Lathrop, Southern Life & Health; P. M. Estes, Life & Casualty; J. R. Leal, Interstate Life & Accident; E. T. Burr, Durham Life; A. B. Langley, Carolina Life, and O. E. Starnes, Imperial Life.

MIAMI, FLA., Nov. 22.—Possibly the most representative attendance in recent years marked the 25th annual meeting of the Industrial Insurers Conference here this week. The occasion was informally observed as the silver anniversary of the organization. The convention was featured by profitable addresses by important leaders of the business and by interesting round table discussions, which were presented for the most part in executive session.

The overcoming of the increasing sickness claim ratio, with a warning against the dangers of government unemployment insurance; a suggestion for the amalgamation of all industrial company interests under one general supervision and consideration of a plan for the establishment of a suggested bureau for individual company members for furnishing information with regard to rejected and impaired risks were the high lights of the session. Discussion of the twin problems of the companies—the selection of agents and the selection of risks—occupied much of the time. Companies were urged to continue the writing of accident and health as a service to humanity.

### To Confer on Legislation

Resolutions looking toward the safeguarding of the legislative interests of the companies during the next Congress were referred to the committee on laws, which will confer with similar committees from the American Life Convention and the Association of Life Insurance Presidents.

The annual address of President Peyton Jones, secretary of the Bankers Health & Life of Macon, was considered as being read in executive session and publication of it was withheld by the vote of the conference. The past work of the conference was eulogized by President Jones, who emphasized however, that there is still much more to be achieved in the future.

### One Chief Executive Suggested

The conference was welcomed to Miami by President Laurence F. Lee of the Peninsular Life of Jacksonville, who called attention to the important part the industrial business can and must play in the national recovery plan. Response was by Actuary George Spring of the Industrial Life & Health of Atlanta.

Outstanding at the initial session was the suggestion by President B. L. Tat-

(CONTINUED ON PAGE 20)

## Vicious Flouting

Thirty years ago expense ratios and mortality ratios and lapse ratios were competitive weaponry in common use,—footnote explanations, necessary to fairness, were usually disregarded. The harm done to the life insurance business through the impairment of public respect became cumulatively intolerable, and at length an end was put to that bludgeoning type of salesmanship.

Nevertheless, here and there today are men who employ the ancient tactics, a current debatable situation supplying the means. They prosper through magnifying the purely hypothetical weakening of a competing company. The prospect, ignorant of company conditions, is helpless, and the Agent of the attacked company is deprived of his right to sell his company's product, even though it may be as good as the best in the land.

The real life underwriter will miss no opportunity to obliterate this vicious flouting of life insurance honor.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

## Kumpf Is Made President of Canadian Life Officers

### LITHGOW'S ADDRESS IS READ

#### Retiring President Makes Some Pertinent Comment on Current Life Insurance Problems

At the annual meeting of the Canadian Life Insurance Officers Association, F. S. Kumpf, president and managing director of the Dominion Life of Waterloo, was elected president. A. H. Beaton, president National Life of Canada, was chosen first vice-president and V. R. Smith, general manager and actuary Confederation Life, was reelected second vice-president. A. N. Mitchell, general manager Canada Life, was made honorary secretary.

The members of the executive committee are G. W. Bourke, Sun Life; C. C. Ferguson, Great West Life; W. C. Kennedy, Standard Life; D. E. Kilgour, North American Life of Canada; G. C. Moore, Imperial Life; E. E. Reid, London Life; W. H. Somerville, Mutual Life of Canada, and H. D. Wright, Metropolitan Life. The executive committee, in addition to the officers, will hereafter have ten instead of eight members.

President J. H. Lithgow in his annual address reported actual improvement in business in Canada. He brought out the fact that there is continued popularity of annuities, a favorable trend in the policy loan situation and reduction in surrender values. Speaking of the reduction in interest returns, President Lithgow stated that the field for satisfactory investments has become very limited. There are more funds seeking investment than usual.

Mr. Lithgow further claimed that insurance companies themselves are partly

responsible for the number of terminations of policies through lapse and cash surrender, which although lower than last year are still very high. In this connection he stated, "Subsidiary benefits in our policies have contributed greatly to their popularity, but let us not forget that the success of our business must be judged on the basis of whether or not the primary purpose for which our contracts have been effected has been fulfilled."

Mr. Lithgow could not attend on account of illness and hence his address was read by Mr. Kumpf.

E. S. MacFarlane, Manufacturers Life, reported on the activities of the public health committee. H. R. Stephenson, Crown Life, reported for the social insurance committee. J. G. Parker, Imperial Life, and J. J. McSweeney, London Life, discussed the activities of the joint committee of the office and field forces.

### Benesch Succeeds Tangeman

Alfred A. Benesch of Cleveland has been appointed director of commerce by Governor-elect Davey of Ohio to succeed Theodore H. Tangeman. An appointment of a superintendent of insurance under the director of commerce is expected to follow very shortly.

### Rule Against Benefit Plan

LOS ANGELES, Nov. 22.—Security Administrators, Ltd., as the result of a recent court decision, has lost its action to secure an adjudication to the effect that its contracts, providing for benefits to be paid by persons who become associates, are not insurance contracts. The ruling was made by Superior Judge Yankwich of Los Angeles, in the case brought against Commissioner E. F. Mitchell. The plaintiff contended that by allowing persons to become associates in an enterprise administered by three trustees, the associates merely agreed to help each other in case of need. The insurance commissioner main-

## Program of Commissioners' Annual Meeting Announced

### GARFIELD BROWN TO PRESIDE

#### State Officials Are Scheduled to Give Addresses at the Forthcoming Gathering

The program for the annual meeting of the National Convention of Insurance Commissioners to be held at the Suwanee Hotel, St. Petersburg, Fla., Dec. 4-6, is being announced this week by Commissioner Jess Read of Oklahoma, who is secretary of the organization. Garfield W. Brown of Minnesota is president and will give his address, followed by the report of Secretary Read. Commissioner H. P. Dunham of Connecticut will give a talk on "Conservation," which will be discussed by Commissioner W. S. Pope of Texas. U. A. Gentry of Arkansas will give a talk on "Curbing Operations of Unlicensed Companies." Commissioner E. A. Smith of Utah will discuss the paper. C. C. Greer of Alabama has chosen as his topic, "Resident Agents' Laws," and the discussion will be by Commissioner Oscar Heltzen of Rhode Island.

Ernest Palmer of Illinois is to speak and will choose his subject later. The discussion of his paper will be made by Commissioner Tobin of Tennessee.

There will be a number of prominent committees report, especially the valuations committee. The St. Petersburg Chamber of Commerce and the insurance fraternity of Florida are cooperating on entertainment features.

tained that the contract was a form of insurance and notified the plaintiff to discontinue the issuance of the contracts. Judge Yankwich's ruling upholds the state official.

## Insurance Sales Show Increases for Current Year

The Life Insurance Sales Research Bureau's figures show that ordinary life insurance production for October was 9 percent ahead of October last year, while for the year to date it was 11 percent ahead of the same period in 1933. Sales for the 12 months ending Oct. 31, were 9 percent ahead of those for the year ending the same day in 1933. Subdivided by states, the bureau's report shows that every section of the country did better in October than the same month last year.

### Features of the Program of Life Insurance Counsel

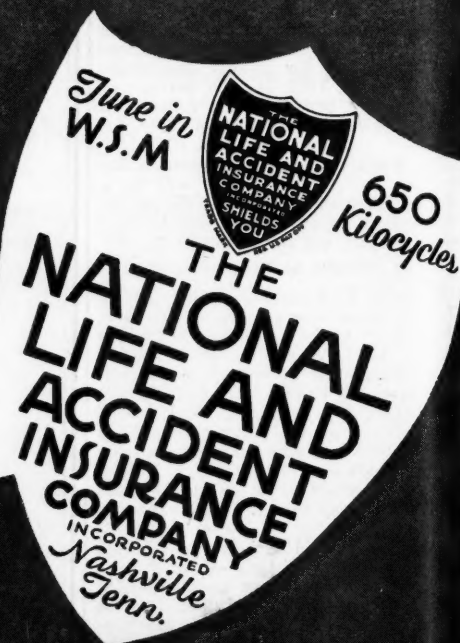
In addition to the three set speakers at the annual meeting of the Association of Life Insurance Counsel at the Waldorf-Astoria, Dec. 11-12, they being J. Thomas Gurney of Orlando, Fla., associate general counsel Bankers National Life; General Attorney Allen May of the General American Life of St. Louis, and Attorney H. S. Weaver of the Association of Life Insurance Presidents, there will be two informal discussions as follows: "Home Office Conduct of Policy Litigation," led by Harry Cole Bates, assistant general counsel, Metropolitan Life; "The possible effect of the decision (if it stands) of the supreme court of Oklahoma in Smith vs. Bush (not yet officially reported) upon extending mortgages without the consent of junior lienors or subsequent grantees, in view of the statute of limitations," led by Harry H. Bottome, general counsel New York Life.

## The NATIONAL has paid

—almost ONE HUNDRED MILLION DOLLARS to Shield policyholders and their beneficiaries since its organization.

—last year the Shield company distributed approximately TWENTY THOUSAND DOLLARS each working day to Shielded millions.

A great 33 year record for service by a great service giver.





## More Changes in Insurance Department Chiefs Certain

### SHIFTS IN DELAWARE, NEVADA

**J. P. Hammond, H. C. Schmidt Elected in Those States—Future of W. S. Pope, M. L. Brown Uncertain**

Two more changes have been definitely made in insurance department heads as a result of the recent election, in addition to those listed last week.

J. Postles Hammond has been elected insurance commissioner of Delaware. He is a Republican. He succeeds J. G. Shaw. Mr. Hammond is a native of Milford, Del., and is a former real estate broker and automobile dealer. After having been associated in the real estate business with his father, in 1920 the garage firm of C. M. Hammond & Son was started. J. P. Hammond continued the business after his father's death.

Henry C. Schmidt of Tonopah, Nev., was elected state comptroller of Nevada at the election and will be in charge of the insurance department, starting Jan. 7. He succeeds the present incumbent, Ed C. Peterson.

#### New Appointment in Texas

Appointments to be made by J. V. Allred, when he becomes governor of Texas on Jan. 15, will include a casualty insurance commissioner. The incumbent is W. S. Pope, whose term expires Feb. 10. Governor-elect Allred has not intimated whom he will appoint. The term of R. S. Mauk, fire insurance commissioner, expires in 1937 and that of R. L. Daniel, life commissioner and chairman of the board, in 1939.

It seems to be the prevailing opinion in Wisconsin that Commissioner H. J. Mortensen will be reappointed by Governor LaFollette. Mr. Mortensen has been in close touch right along with the LaFollette organization and was one of the staunch supporters of the LaFollette progressive movement in the state this fall.

#### M. L. Brown May Be Replaced

Although Commissioner M. L. Brown of Massachusetts, originally appointed by a Republican governor, was reappointed under a Democratic administration, it is quite generally conceded that he will make way for a new incumbent when he completes his present term in April. He will be sacrificed to meet the continuous and incessant clamor against compulsory automobile liability insurance rates—and the demand for lucrative posts from the political supporters of Governor-elect Curley.

F. L. Goodwin, former registrar of motor vehicles and for years a leader in a campaign for a state fund for automobile liability insurance, who ran as an independent candidate for governor this year, had no chance to win, but his campaign helped the successful candidate, and it is rumored that he may be the next insurance commissioner. With no experience in insurance matters and advocating as he has a state fund, such an appointment would be far from meeting with the approval of insurance interests.

#### Nebraska, Iowa Aspirants

New aspirants have been brought out for insurance department posts in both Nebraska and Iowa. In the former state George Mullen, for many years with the North American Life of Omaha and an uncle of Arthur F. Mullen, head of the state Democratic organization, is being urged for director of insurance. Nebraska life insurance men are making a strong fight for the retention of Director Lee Herdman. In Iowa, G. A. Holland, Des Moines local agent, who has been active in Democratic politics, is being boosted to succeed Commissioner E. W. Clark.

So far Governor-elect Graves of Ala-

## Robbins and Parker Make Plans for Move of A. L. C.

Col. C. B. Robbins, manager and general counsel of the American Life Convention, and Lee N. Parker, president American Service Bureau, have been in Chicago completing arrangements for moving their organizations later this month to quarters in the Carbon & Carbide building, 230 North Michigan avenue. Colonel Robbins announced that the A. L. C. will be settled in the new offices by Dec. 1.

The moving of furniture and fixtures and the extensive files will be done entirely by motor truck, nine trucks being required.

The A. L. C. will be on the 31st floor where Colonel Robbins will have his private office, and the American Service Bureau and Mr. Parker's office on the 30th floor. The Chicago branch of the bureau will be quartered in 1,600 square feet of space on the seventh floor, where also will be storage room of the two organizations. There will be a library room and two spare private offices on the 30th floor as well as a mimeograph room and space for the clerical personnel.

Colonel Robbins' daughter accompanied him on the Chicago trip to select a place to live. They have about decided on an apartment around 3700 north along the lake shore.

The A. L. C. activities recently, especially the vigorous stand against private rating of life companies, as exemplified in the controversy with Best, have created wide interest among the companies. Five new company members have been admitted since July. The comparatively new industrial section also is attracting much interest and has grown to the point where the companies in it represent \$2,500,000,000 insurance in force.

#### Loan Figures Favorable

The economic pressure on the insuring public which has forced people to make loans on policies shows unmistakable signs of diminution, according to figures of the State Mutual Life. Not only has the amount outstanding decreased some 3 percent the first 10 months, but this decrease is a healthy one. It is not due to the cancellation of loans by the termination of policies through lapse or surrender, which are 15 percent below last year's amounts, but to a 27 percent decrease in the demand for loans both in cash and for the purpose of paying premiums and an increase of over 50 percent in actual cash repayments of loans by policyholders.

bama has given no intimation as to whom he will appoint superintendent of insurance. The two leading contenders seem to be C. C. Greer, incumbent, and F. N. Julian, president Bankers Fire & Marine and former superintendent. R. P. Coleman, who served as deputy superintendent during the previous Graves administration, is said to have strong backing. Mr. Greer's term does not expire until Oct. 1, 1935.

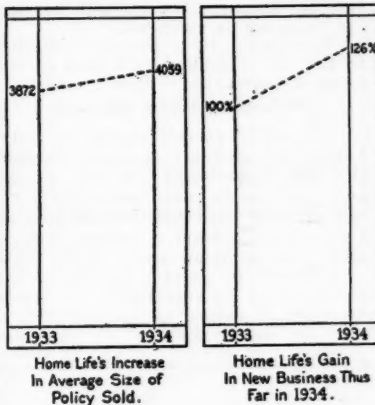
#### KENTUCKY CHANGE LIKELY

LOUISVILLE, Nov. 22.—The Kentucky court of appeals has upheld the act of the 1934 legislature, known as the "ripper" bill, which gives the governor the right to remove state department heads. The decision does not become final for 30 days, during which time a petition can be filed for a rehearing. This particular case involved an injunction action brought by Ben Johnson, chairman of the state highway commission.

J. Dan Talbott, state auditor, under ouster proceedings would lose control of the department of fire prevention and rates and the insurance department. He has held control under an injunction, but under this decision will quite likely lose it at an early date.

## Charting a Different Course

**THE HOME LIFE OF NEW YORK** is and has been deliberately charting a radically different course of action in its selling program. In a year when the trend has been toward smaller average size policies, this Company has materially increased its average size policy. The average size policy written by the Home



Life is today approximately fifty per cent greater than the average of the companies as a whole.

#### Fewer Agents

During a period when there has been a great increase in the number of agents under contract, the Home Life has, by greater selectivity and elimination of the unsuccessful, actually decreased its number of agents under contract.

In spite of this, the Company shows to date a percentage of increase in volume of new business of 26%, while the ordinary business as a whole shows an increase of 8.9%.

#### Definite Plan

All this did not happen merely by chance. It is a result of deliberately emphasizing quality in agency organization rather than quantity. It is a result of directing the activities of the sales organization toward the class rather than the mass market.

The Home Life believes there is a place in the scheme of things for a company in which every company and agency activity is directed toward furnishing professional

life insurance service of the highest order to buyers of the best type. It believes that entirely too much emphasis has been placed on quantity rather than quality in sales organization and that as a result, too many men, poorly selected and poorly trained, have been brought into the business to the detriment of the really qualified professional life underwriter and of the business itself.

#### A Real Service

Its own plan is to have a closely knit group of carefully selected and adequately trained life underwriters prepared to render professional service of the highest type to their clients and to back that group of underwriters with a type of company service which will thoroughly harmonize with the necessities of their own work. The ambition of the company is to furnish to underwriters working along these lines an atmosphere and a service which will result in enabling them to function at the top limit of their capacities.

#### Threefold Progress

The program is a long-time one. It has been carefully thought out and is being vigorously carried out. It will take time to realize the ultimate picture. That substantial progress is being made toward this realization is, however, evident from the facts, namely:

- (1)—An increase in average size policy at a time when decreases are the order of the day.
- (2)—An increase in volume of business almost three times as great as the average and coming from a reduced number of salesmen, and
- (3)—Finally,—a feeling of confidence and assurance as to the future on the part of the group of men and women in the field following out the company's program.

#### Estate Planning

The specific field method around which the plan and results are built is Client Building Through Estate Planning.

A booklet describing Client Building Through Estate Planning is available and will be sent to any one interested in it upon request to the Home Life at 256 Broadway in New York.

(This is one of a series of advertisements telling what one company is attempting to do to solve the problem of the man in the field and to further the progress of its representatives and the company itself under present conditions. Other articles in this series will appear later.)



## HOME LIFE INSURANCE COMPANY

256 BROADWAY - - - NEW YORK, N. Y.

**ETHELBERT IDE LOW**  
Chairman of the Board

**JAMES A. FULTON,**  
President

On Agency matters address: C. C. FULTON, JR., Supt. of Agencies

## Federal Estate Tax Rule Termed Not Yet Effective

### SAY HARM DONE BY RUMORS

#### Fear Rewriting and Even Twisting May Result; Another Important Regu- lation Is Made

Much damage may have been done throughout the country by dissemination of an article in an eastern insurance trade publication which presented certain Internal Revenue Bureau interpretations of the amended federal estate tax law as being in effect, according to a number of leading life agents. It is feared many agents may be rewriting policies of clients in an effort to avoid leaving the insurance in a form which would be subject to the tax.

Proposed regulations were contained in a letter sent to the Life Presidents Association. One suggested provision was that all life insurance assigned irrevocably would be taxed in the insured's estate in the ratio that the premiums which the insured had paid would bear to the total of premiums paid.

The effect of this, for example, if the

insured had paid premiums for ten years on a \$50,000 policy, then made an irrevocable assignment of policy to another person who paid premiums for five years, it is said would have been to place two-thirds of the proceeds at his death subject to federal estate tax.

"There was nothing final about this letter; it was merely a statement of intention," said H. T. Powers of Chicago, expert in federal estate matters, who conducts a school on the subject and serves as adviser to life agents. "Before the provisions would become effective, hearings naturally would be held. It is generally believed that the Internal Revenue Bureau will not tax life insurance as indicated."

The rule has been for some time not to tax life insurance as a part of the estate if irrevocably assigned.

#### Misinformation Is Harmful

"The effect of this report on uninformed life insurance men and the public," Mr. Powers said, "is very serious, and might cause much unnecessary rewriting, and even twisting of policies. Until the regulation is printed and issued, life insurance men should make no changes in existing policies. The point is that the regulation, if it should be made as drastic as was reported, is only an interpretation of the law now in effect, so interests of policyholders

will not be jeopardized by waiting to ascertain the true state of affairs."

It is said that if the drastic regulation were put in effect, it would make useless much of the work done by life agents in arranging insurance estates. A great deal of life insurance has been written expressly to cover federal estate tax.

#### Another Ruling Issued

An important tax ruling has been issued by the Internal Revenue Bureau. The 1934 revenue act provides that "amounts received under a life insurance contract paid by reason of the death of the insured, whether in a single sum or otherwise," shall not be included in gross income and shall be exempt from income tax. It is also provided that if such amounts are held by the company at interest, the interest payments shall be included in gross income for tax purposes.

The new ruling is that this exemption of amounts received under a life policy applies only to the principal sum or capital value of the life policy as of the time of insured's death, and the exemption does not apply to any amounts which are added to the principal sum (when it is paid in instalments) by reason of interest. The ruling applies to all such amounts received on and after Jan. 1, 1934.

No regulation has been issued by the

Treasury Department based on this ruling, but the practical application of it, informed agents say, is something as follows:

Ten annual instalments of \$116.18, or a total amount of \$1,161.80, would be provided by \$1,000 proceeds. All that would be exempt under the ruling would be \$1,000, the face of policy. The additional payments of \$16.18 a year would be included in gross income for the purpose of computing the beneficiary's income tax. Any excess interest allowed by the life insurance company also would be subject to the tax.

Mr. Powers stated that many life agents have been setting up life insurance under the instalment options and telling clients that in this way the federal tax was avoided. They have made the arrangement under existing law, unmindful that the law can be changed in future by Congress or department interpretations, thus having effect on amounts receivable by beneficiaries and perhaps causing some loss of principal.

The new ruling may serve to check somewhat this tendency of many life agents to set themselves up as experts in ways and means of avoiding federal taxes, and to make them place more emphasis on proper phases of life underwriting, Mr. Powers stated.

## Meeting Will Be Important

### Midyear Gathering of the National Association of Life Underwriters to Be Vital

NEW YORK, Nov. 22.—The mid-year meeting of the National Association of Life Underwriters next April will probably be the most significant in the history of the association. The administration will make an especial effort to get out a large attendance. A number of new features will be introduced and the sessions may be held two days instead of one. There may be a meeting of state association presidents and another session for discussion of local association problems. The usual reports of a routine nature will be skeletonized and the meeting generally vitalized.

### Revoke Aid Outfit's Charter

TALLAHASSEE, FLA., Nov. 22.—Commissioner W. V. Knott of Florida has announced the revocation of the charter of National Aid Society of Pensacola, by the Escambia county circuit court. The charter was granted by the circuit court some years ago under an old law. All types of insurance now come under the supervision of the state insurance department.

"For several years a number of societies organized under the laws of different states, each bearing the name 'National Aid Society,' have maintained executive offices in Springfield, Ill.," said the commissioner in commenting on the action. "So far as the department is advised none of these societies have been authorized to transact an insurance business under the laws of Illinois or any other state, but either through the mails or otherwise, have solicited and written considerable business in Florida and elsewhere."

### Virginia Code Hearing Nov. 26

The legislative commission engaged in revising, simplifying and codifying the insurance laws of Virginia will hold a public hearing Nov. 26. Representatives of fire, life and casualty companies have been invited to attend and offer any suggestions which they may have to make.

### To Have General Agents' Meeting

There will be a meeting of general agents and managers of the Pan-American Life at the head office Nov. 22-23. The time will be devoted entirely to a discussion of matters relating to improvement of the company's business in 1935. All the home office officials will participate.

# co-operation



The progressive agent is coming to understand more and more the practical help his company can render.

The day is here when a good agent will carefully investigate company co-operation before making a connection.

Continental co-operation is practical, profitable, profound. It will weather the most exacting scrutiny. Its completeness is both evidence of Continental DURABILITY and a guarantee of agency progress.

**CONTINENTAL  
CASUALTY COMPANY || ASSURANCE  
COMPANY || COMPANY**

CHICAGO

Insurance and Surety Bonds for Practically Every Purpose



## A. M. Best Defends Rating Plan for Life Companies

The Alfred M. Best Company of New York has issued a reply to the American Life Convention statement regarding Best's ratings. The issue has elicited much comment in insurance circles. The A. M. Best Company says:

"The press bureau of the American Life Convention issued a statement to the press dealing with the subject of our ratings of life companies, and referring to our letter to the special committee of the convention with which we recently had several discussions. In that letter we stated our final decision to continue the ratings, in view of the fact that over 98 percent of our subscribers who replied to our questionnaire on this subject urged such continuance. The nature of these replies and the character and high standing of the writers of these letters convince us that any statements that our ratings are improperly used is untrue. Upon inquiry we have learned that this press release was issued from the headquarters of the convention at St. Louis without the knowledge of the special committee. We emphasize this point because of the high regard in which we hold the members of the special committee, and what follows must not be construed in any way reflecting upon them.

### Purpose of the Ratings

"Because of our deep interest in the welfare of the life insurance business and our belief, based upon full knowledge, that it is, except in comparatively rare instances, administered honorably and efficiently, we regret that the action of those members of the convention responsible for this release and the general attack upon our ratings forces us to focus attention upon the purpose of the ratings, which is in part to expose bad conditions in the life insurance business. These conditions have been accurately reflected by our ratings, but it now becomes necessary to expose them even more fully than has been done heretofore, and by an aroused public opinion force the corrective action which in a number of cases should have been taken long ago.

"We repeat that as a whole the life insurance business is thoroughly sound and entitled to the complete confidence and respect of the public; that the companies which are not so situated are of relatively small importance and located in only a few states. Yet in the aggregate these companies are collecting from the public annually many millions of dollars on the strength of misleading statements indicating solvency, and this betrayal of trust effected through suppression of the truth must stop. The remedy urged upon us is discontinuance of our ratings, which present the facts in the form best understood by the public, on the theory that if let alone these situations will correct themselves. History proves the fallacy of any such belief.

### Misstatements Are Alleged

"The press release in question contains many important misstatements and misquotes us on equally important subjects. It is stated that the request that we discontinue our ratings was made 'only after mature deliberation and after thorough investigation by the executive committee,' and 'after securing the general sentiment not only of the companies comprising the membership of the American Life Convention, but of numerous non-member companies.' The flat statement is then made that 'in no instance did any company favor the use of comparative ratings as now issued.' This statement is misleading; many companies, both in and out of the convention, are on record with us in favor of continuing the ratings, and important member companies have informed us that they have recorded their approval

of the ratings with the executive committee of the convention. The fact is that the special committee which conferred with us was appointed by the executive committee, and not as a result of the action of the membership at large. Members of the convention replying to our questionnaire—issued prior to the meeting of the convention in Chicago early in October—advised us that they had never heard of the existence of the committee. The press release under discussion, however, now places the convention as an organization on record as opposed to the continuance of our ratings, and thus attempts to make the convention responsible for every statement contained in the release.

### Attitude on State Supervision

"The release expresses the confidence of the convention in state supervision of insurance companies, and says that we 'condemn and criticize state supervision,' and that we have 'announced openly . . . that state supervision has failed.' These references to our attitude toward state supervision are false, a fact which is well known to the supervising state officials themselves and to the membership of the convention. We recognize so fully the value to the public of the official findings contained in reports of examinations of insurance companies by insurance departments that for decades we have kept closely in touch with all insurance departments, and have published broadcast their reports of examinations. This editorial policy is also well known to the members of the convention.

"The convention statement says that 'the true value of assets of life companies during the past few years cannot be accurately measured by the current market price, any more than it could have been accurately measured by the prices of such securities during the boom days of 1928 and 1929, when such securities were selling at a market price greatly in excess of their real value.' This is a most misleading statement, because it intimates that the assets of life companies were largely stocks of a speculative character. It was only such securities which sold at inflated values during the boom years. The fact is that the assets of life companies are now, and always have been, predominantly mortgages and bonds. During the boom years such investments were carried approximately at par or face value. At the present time mortgages owned by some life companies are carried at inflated values: first, because the loans were unwisely made initially, and, second, because heavy arrears of interest are being carried as assets, which situation is reflected in the surplus and in the alleged rate of interest earned on investments.

### Debits Are Imposed

"The statement alleges that 'no private company, without official standing and without means of investigation, other than the superficial one of endeavoring to value securities held by companies by examination of lists of market values, has any legal or moral right to base a rating system on the conclusions so reached. Mr. Best has arrogated to himself the power to do so.' This statement also is misleading. We are well aware that life companies are not required to carry their assets at market values; market values have no part in our rating system for life companies. That fact is well known to officers of life companies everywhere, including those of convention companies. It is true that an important part of the rating system is devoted to the financial condition of each company rated. If such a company owns bonds in default or mortgages in default, or real estate yielding less than the interest rate required to maintain the reserves, debits

## B. M. A. LEADS THE WAY

Ever a progressive company, the B. M. A. will be found leading the way.

Much publicity is being given to the idea of companies employing only full time salesmen.

B.M.A. HAS FOLLOWED THAT PRACTICE FOR THE LAST TEN YEARS.

The Income Plan of distribution is gaining in popularity.

B. M. A. HAS ALWAYS RECOGNIZED THE IMPORTANCE OF INCOMES, AND FOR THE PAST YEAR AND A HALF HAS STRESSED THE SALE OF INCOME CONTINUANCE.

Complete service at guaranteed cost is provided by B. M. A. salesmen who devote their full time and efforts to prescribing the proper protection for their clients.

THE B. M. A. LEADS THE WAY

## BUSINESS MEN'S ASSURANCE COMPANY

KANSAS CITY, MO.

W. T. Grant, President

are imposed under our system proportionate to the importance of the conditions. The implication that we are 'without means of investigation' is false because life companies are required to file their statements in such great detail that it is possible for any one properly informed and with sufficient time for analysis to arrive at a very clear understanding of the position of the company. The information available from the extremely detailed annual statements is supplemented by additional information furnished to us by the respective companies.

#### Feels a Moral Responsibility

"The statement says that we have no 'legal or moral right' as a basis for our ratings. Our legal responsibility is to be fair and accurate, and our unique relationship to the public, built up over a period of 35 years, gives us not only a moral right, but a moral responsibility, to furnish to the public information in a form which the public can understand and which cannot be distorted. We are convinced that this is best accomplished by means of the ratings. In this connection, a joint statement to the press issued by the convention and ourselves, following our conferences with the special committee in Chicago, is at once interesting and a refutation of the statement in the release under review. The joint statement said that the committee conferred with us 'for the purpose of determining the best means to be employed in giving the public complete, accurate and understandable information as to the condition, affairs and practices of life companies, supplementing official reports, which necessarily are technical and not easily understood by the public.' No question of our legal or moral right to continue the business which we have conducted for 35 years was then raised; on the contrary, the committee recognized the necessity for our work.

#### Accuracy Not Questioned

"A similar conflict exists between the present release and the statement of the position of the special committee which was made to us at the outset of our first conference with it on Sept. 28. The virtual demand that we discontinue the ratings was then based solely upon the allegation that the ratings were so used as to undermine the confidence of the public in the life insurance business. The committee specifically stated that the fairness and accuracy of our rating system was not questioned. The present statement says that the companies receiving our 'A' rating 'are opposed to comparative ratings because such ratings are not under control of the insurance commissioner and are wrong in principle. . . .'

#### Agitation Against Ratings

"Finally, the statement says respecting ratings: 'The whole practice can easily degenerate into a blackmailing racket, and we propose to condemn it and to oppose it in the future as in the past.' The fairness and accuracy of our ratings and our general reputation are too well known to need defense here. The implication that the convention in the past opposed ratings is also untrue. On the contrary, many members of the convention have for years used our ratings as part of the equipment of their agency forces. The appointment of the special committee of the convention was its first definitely official action with respect to our ratings, though the general counsel of the convention about a year ago wrote us urging the discontinuance of the ratings. The agitation against the ratings did not arise until the failure of many companies, all carrying low ratings, clearly demonstrated that they reflect dangerous conditions if they exist.

"The convention statement says 'Ratings of companies, whether issued by Mr. Best or others who are now engaged in the same practice, made without the consent or supervision of state authorities, are frequently misleading, inaccurate and dangerous to the best interests of life insurance.' So far as our ratings are concerned, this statement is wholly false. The real objection to the ratings is not that they are 'misleading,'

but rather that no one can be misled into believing that a low rating means other than what it is intended to mean; they are extremely accurate, and are based upon a careful analysis of the sworn statements filed by the companies. It is not the ratings, but the attempt to suppress them which is dangerous to the life insurance business.

"The statement of the convention refers to inquiries made among insurance companies. Our own inquiry was far broader. We not only secured the opinions of insurance company officials, but also of general agents, district agents and other producers of life insurance companies; banks, trust companies, large business enterprises and policyholders as such. As already stated, over 98 percent of the replies we received urged the continuance of the ratings. In varying language they expressed the opinion that they were indispensable because they fairly and accurately indicated the relative position of the companies, and were not susceptible of misrepresentation. It is literally true that we have not received proof of a single case of misuse of these ratings, though we requested the special committee to furnish such evidence if it was available.

#### Comment on State Supervision

"We have said in the past, and now repeat, that state supervision has not proved a complete protection for the public; which is evident from the fact that otherwise no insurance company would ever have failed with loss to policyholders. We state without fear of contradiction that in general the insurance departments, like the life companies, have been honestly and efficiently administered, with great resultant good to the public. It is unfortunately true, however, that in certain states bad practices have grown up in recent years as the result of a mistaken policy of glossing over and attempting to conceal from those most vitally interested, namely, the policyholders, conditions in individual companies which at first were only moderately prejudicial to the policyholders' interests, but which have steadily grown worse, and which have now reached a stage involving intolerable deception. The convention release says that 'The fact that there have been a few failures among life companies does not at all reflect upon the character and the standards of state supervision.' The fact is that in recent years not 'a few,' but 30, life companies have failed with a loss of tens of millions of dollars to policyholders. Virtually all of those companies betrayed their policyholders' confidence by actively soliciting and collecting new and renewal premiums up to the very day that the companies closed their doors. This they accomplished by filing under oath and circulating false statements showing the companies to be solvent when in fact they were insolvent.

#### Offense Against Good Morals

"This offense against good morals was condoned by certain insurance departments, which accepted these statements and licensed the companies, thus permitting them to continue their deceptions under the cloak of the implied endorsement inherent in a license to operate. We further assert, and can prove, that a considerable number of life insurance companies—fortunately all of relatively small importance—are still permitted to operate on the strength of similar false statements of condition, with the aid of official licenses, though their officers and the state officials know them to be insolvent, which in turn means that the collection of premiums in these instances is a fraud upon policyholders. Under our scientifically accurate rating system such conditions are inevitably reflected in the ratings.

"We submit that the plain duty of every one in a position to exercise any influence upon the conduct of the life insurance business is to expose such conditions, wherever found and regardless of consequences to individual companies. This should be the policy of the American Life Convention; no such policy is indicated to us by the release under re-

view, and by the determined efforts made by certain elements in the convention to coerce us into dropping our ratings. It should also be the policy of the National Convention of Insurance Commissioners, which unquestionably possesses as an organization the power to bring pressure to bear upon the relatively small number of insurance departments whose officials have forgotten that their primary duty is to protect policyholders, rather than stockholders and salaried officers of local institutions. We repeat that the bad conditions herein referred to have grown up as a result of a deliberate policy of suppressing the facts concerning certain institutions unworthy of the confidence of the public, and we emphasize the extremely important fact that these bad conditions are not due primarily to the effect of economic troubles in recent years, but rather to prior bad management.

#### Plan to Curb Ratings

"The convention statement says: 'Any concern which proposes to rate a life company in comparison to others should be just as much under supervision and regulation from the commissioners of insurance of the various states as the company which it proposes to rate.' This is a clear indication of what our clientele may expect as the next line of attack upon the work which we have been doing so long for their protection. We have been informed that in a considerable number of states bills will be introduced at the next sessions of the legislatures providing for such regulation of our activities. At this point it seems necessary to state that such bills would be aimed only at us. There has been much propaganda released in recent months in an attempt to make it appear that innumerable organizations have sprung up purporting to rate insurance companies. This is something in which we are deeply interested, but diligent inquiry reveals only two such organizations, both in the middle west. The operations of one of these are of very limited scope; the other is largely supported by certain companies which are members of the American Life Convention. In view of the very bad conditions in certain states, previously referred to, the facts concerning which are being suppressed by the insurance departments of those states, and in view, further, of the extremes to which opponents of our ratings have gone recently in the effort to coerce us into the discontinuance of the ratings, we cannot believe that the proposed official regulation of our business is prompted by any solicitude for the welfare of policyholders or by any real belief that the manner in which we conduct our business, or the nature of that business, justifies any such attempt at official regulation thereof. The suggestion, therefore, is obviously a continuation of the attempt of certain interests to keep from the public knowledge of bad conditions, which is obtainable through our ratings. Because of the confidence which our subscribers and the general public have in our reports, and especially in our ratings, it will become our duty to combat by the fullest publicity any such attempt to hamper our operations.

#### Sees "Strong Moral Obligation"

"In view of all the facts above recited, it seems to us that the American Life Convention as an organization is confronted with a question of policy of major importance to it and to the better element in its membership. Of its 127 member companies, 86 carry our recommended ratings. Some of the companies carrying lower than recommended ratings are under honest management, and are making progress, which as time goes on will be reflected in higher ratings. A considerable number of company members, however, are in very doubtful condition. The convention is clearly under a strong moral obligation to deal vigorously with this situation."

Les Forestiers Franco-Americanins, fraternal of Buffalo, is applying for admission to Connecticut.

## Pennsylvania Governor Now Studying Insurance Issues

### HAS SOCIAL SCHEME IN MIND

New Official Has Not Reached a Conclusion as to Appointment of the Commissioner

PHILADELPHIA, Nov. 22.—In an interview Governor-elect Earle of Pennsylvania said he was making a careful study of the problem of the insurance department and of proposed insurance legislation.

"However," he stated, "no plans have been formulated as yet and they will not be for another three or four weeks." Mr. Earle indicated that he had not made any decision regarding insurance commissioner.

#### Insurance Program in Mind

He said that he is very much in earnest regarding his social insurance program and is giving it considerable attention. He is going into the matter thoroughly and hopes that his program will not only divorce social insurance from politics but will also serve as a model for other states and for the government. He gave the impression that he planned to appoint a committee headed by a prominent life company executive to formulate a program for the state to adopt.

Insurance men throughout Pennsylvania, and they include company officials as well as agents, are more interested today in what Mr. Earle will do with the personnel of the insurance department than with who he will name as insurance commissioner.

#### Interested in Department

Although Mr. Earle announced that he would not oust any state employee who was not active in politics, insurance men are fearful that he will "clean house" in the insurance department. Such a step, they argue, would have a serious effect upon the insurance business as the problems are so varied and, in many cases, so technical that an experienced force must be retained in order for the insurance business in the state to function properly.

Insurance men are particularly anxious that Acting Commissioner Charles H. Gaff, the first deputy for years; Deputy Commissioner A. G. Costello, and H. R. Teitrick, chief of the division of agents and brokers, be kept in office.

#### STATE GROUP PLAN POSSIBLE

HARRISBURG, Nov. 22.—From reliable sources comes the information that Governor-elect Earle is planning legislation which will put the state into the group life insurance business. Whether he plans to make group life business part of his social insurance program or whether he intends to tack it on to his proposed strengthening of the workmen's compensation act, is not known.

Several Pennsylvania newspapers recently called group life insurance voluntary social insurance on the part of business in editorials. These editorials may have influenced the governor-elect in his decision although it is understood that he had this plan in mind before the election.

It is said that Mr. Earle believes that the life companies make quite an underwriting profit out of the group business and that the state could well use this profit as part of a plan of cutting taxes. The proposed legislation, it is said, would make group life insurance compulsory on the part of employers with a special state fund created for the purpose. In cases where firms preferred private carriers, a special tax would be made. Contrary to the general belief, life companies have not found group insurance profitable. As a matter of fact, it has proved in some instances unprofitable.



## Aetna Life Announces Rate Increases, Other Changes

### NEW PARTICIPATING ANNUITY

Some Reduction in Non-forfeiting Values from 12th to 19th Years Made, Effective Jan. 1

New non-participating life rates, new annuity rates, participating life income plans, new participating retirement annuity rates and changes in surrender values and policy forms are announced by the Aetna Life, effective Jan. 1.

A new scale of dividends for 1933 on a level slightly below that for 1934 has been adopted. The 1934 scale was 75 percent of that in use for a number of years; the 1935 scale will be 70 percent. A reduction of 1 percent in guaranteed rate of interest in the participating department on policy proceeds left with company, and on dividend accumulations, to 4 percent is announced, and a similar reduction in the non-participating department.

Jan. 1, the Aetna will make certain changes in its policy forms, as well.

It is stated that the general revision of non-participating rates on life policies will involve only a small increase in rates, necessitated by the general fall in the interest rate obtainable on all new investments. There are no changes in participating life insurance rates.

#### Maturity Values Increased

In the insurance with life income plans, increases in rates are accompanied by substantial increases in maturity values. The new maturity values, per \$1,000, are:

Maturing at Age	Male	Female
50	\$1,804	\$1,940
55	1,630	1,769
60	1,458	1,595
65	1,297	1,425
70	1,155	1,267

The accumulative life plan is discontinued.

The new single premium annuity rates are in line with the scale generally adopted by most leading companies. The company will issue its insurance with life income plans in the participating department as well as the non-participating department.

The new rates for participating retirement annuity policies are, during the period before the annuity is entered upon, based upon 3 percent interest instead of  $3\frac{1}{2}$  percent. They will be entitled to higher dividends than participating retirement annuity policies issued at the old rates.

#### Some Values Are Decreased

Non-forfeiting values generally will be increased on the insurance with life income plans. On the other plans (except family income) there is no change in non-forfeiting values except for some reduction in the values from the 12th to the 19th years inclusive. The full reserve is given as a non-forfeiting value at the end of the 20th year. Non-forfeiting values for participating policies are the same as for non-participating policies.

In the policy contracts there has been a change in the income benefits allowed under mode 4 of optional settlements, which mode provides for payment of a life income for a term certain and for life.

The company reserves the right to defer a loan, or payment of cash surrender value, or withdrawal of funds left on deposit for a period not exceeding three months, although in normal times it does not expect to take advantage of this right.

There are other minor changes in wording of policy contracts made with the view of clarification.

President M. B. Brainard states: "The cost of life insurance depends upon mortality experience, the expense rate of the insurance company, and the rate of interest obtainable on investments. The fall in the rate of interest

obtainable on new investments is causing some increase in the net cost of life insurance generally and our directors have made the above changes in our dividend scale because of the present trend of interest rates."

### Agencies Show Sales Gains

Arthur J. Hill, California, State Life of Indiana—Led company in October. Manager Hill led in personal produc-

tion. California's October production gained 30 percent over September.

E. E. Besser General Agency Lincoln National, Chicago. Nine months total this year 137 per cent of production in same period last year; October second largest month in 1934.

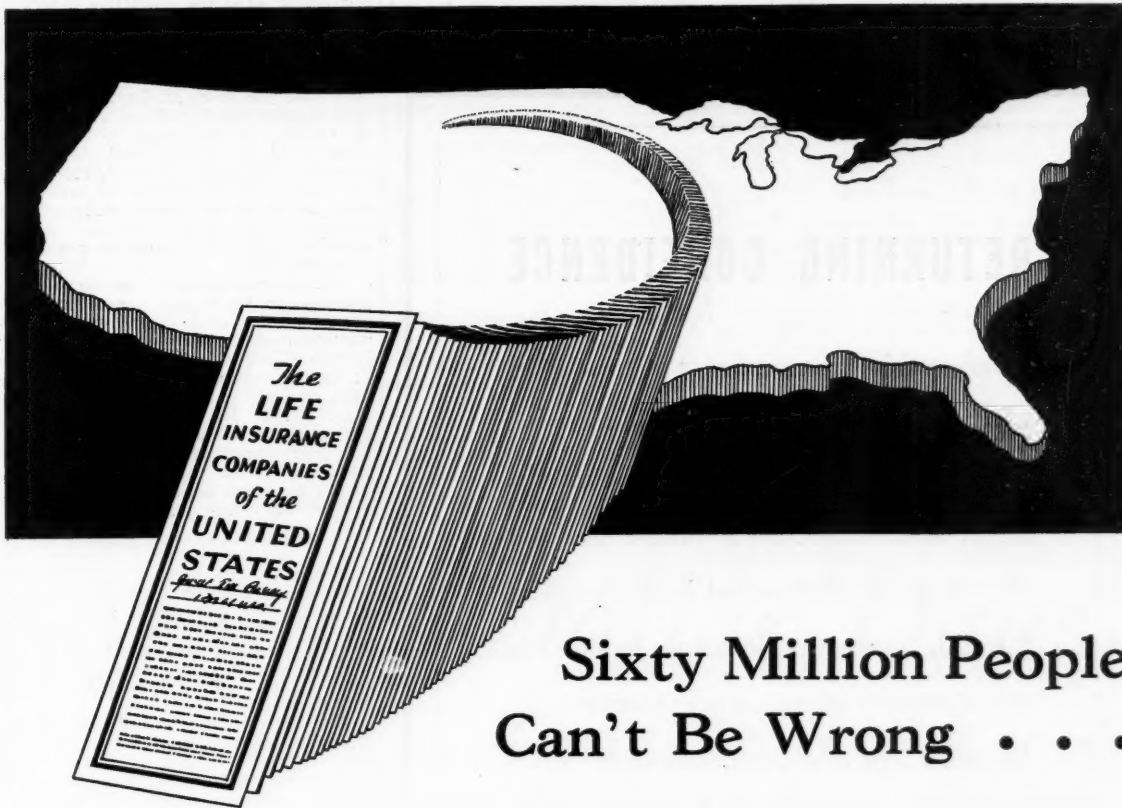
W. T. Shepard, Los Angeles, Lincoln National Life—Ten-month new paid business increased 82 percent.

A. A. Dewar, Los Angeles, Equitable

Life of New York—October paid business gained 20 percent over September. Ten-month sales increased 30 percent.

Bruce Veasey, San Antonio, Tex., agency of the Indianapolis Life, states that for the first ten months sales increased 30 percent.

Frederick Bruchholz, Chicago Clearing House branch, New York Life—Ahead of ten-month prorata top allotment; substantial margin ahead on new organization business.



## Sixty Million People Can't Be Wrong . . .

No better evidence of the intrinsic worth of Life Insurance can be offered than the sixty million policyholders of the United States.

Any institution that enjoys the approval of more than half of the insurable population must be founded upon the Rock of Public Confidence.

The Life Insurance Companies of the United States have poured more than fifteen billions of dollars into the economic structure of America in the past few years. Approximately twenty-two billions more are now invested in the underlying securities of this nation . . . an investment guaranteeing the future happiness of millions of our citizens.

We should be proud of the part we are playing in extending these benefits. No other institution can claim a greater service to humanity.

# THE MIDLAND MUTUAL LIFE INSURANCE COMPANY

Columbus, Ohio

## Mutual Benefit Concerns Are Criticized by Palmer

Three Illinois mutual benefit concerns were directed by Insurance Director Palmer to correct departures from legal requirements. Expense assessments of the Continental Mutual Benefit Association of Chicago are out of proportion to benefits paid, Director Palmer stated in an order to the concern to revise its methods. He ordered discontinued the levying of the first six assessments for expense account, as being contrary to

the mutual benefit act. The concern was directed to pay losses according to certificate provisions, to discontinue acceptance of advance premiums, to record all income in the books and replenish guaranty fund up to statutory requirements.

The Mutual Benefit Society of the First Christian Church in Illinois was ordered to settle claims properly, to increase membership to minimum requirements and restore guaranty fund.

The Catholic Knights & Ladies of De L'Epee, Chicago, was ordered to raise membership to legal minimum, re-

vised methods of levying expense assessments and revise investment portfolio.

## Peoria Life Deal Attacked

**Federal Court in Michigan Bars Removal of Assets, Calls for Return of Records and Documents**

GRAND RAPIDS, MICH., Nov. 22.—Holding valid the injunctive orders of the Kent county circuit court and its appointment of the Grand Rapids Trust Company as Michigan receiver for properties and assets of the Peoria Life in this state, Judge F. M. Raymond of federal district court ordered Receiver C. V. O'Hern to turn back to the Michigan receiver records and documents removed from the state. O'Hern also was directed not to dispose of any Michigan assets of the Peoria Life, not to execute a reinsurance contract, nor to interfere with or dispose of any company records.

The federal court's action, unless blocked by an appeal, appears to constitute a formidable barrier to full assumption of the Peoria Life's business by the Alliance Life, formerly the Life & Casualty of Chicago, whose reinsurance contract is questioned in the findings. R. F. Kindell and H. G. Buell brought the injunction suit in the circuit court as policyholders, claiming they were acting in the best interests of 14,000 Michigan policyholders with \$23,000,000 aggregate insurance.

### Claim Injunction Ignored

It was presented to the court that the receiver ignored the injunction and acting under his conception of his rights under Illinois laws, removed Michigan records to such an extent it is impossible for the Michigan receiver even to obtain names of policyholders residing in this state.

The federal court stated that "it appears by affidavit that, notwithstanding these injunctive orders, defendant caused to be removed from all Michigan offices of the company, policyholders' cards, records, and account books, that the contract complained of was executed, and that the receiver turned over to the Life & Casualty Company of Chicago large sums of money, and that removal of the records made it impossible for the receiver appointed in Kent circuit court to communicate with the Michigan policyholders."

### Ordered to "Purge" Selves

The court holds that the defendants must "purge themselves of contempt by restoration of the books and records and documents removed from the state of Michigan or concealed therein." The plaintiffs contended the reinsurance contract was not actually a reinsurance contract, and was preferential as regards rights of policyholders and other parties.

The Michigan department, officials said, is not especially sympathetic with the attack on the reinsurance plan although it has no part in the controversy.

### Hamlin's Agents Meet

The E. H. Hamlin agency of the National Life of Vermont at Cleveland held an important meeting this week. F. A. Howland, president; E. S. Brigham, vice-president and Karl Gumm assistant superintendent of agencies attended from the home office. The agency is showing a large gain in production this year over 1933.

### Millionaire Producer Dead

Sylvan Levy, multi-million dollar producer of the New York Life, who paid for as much as \$4,000,000 in one year, died suddenly of a heart attack at his home in New York City this week. He was 64 years old. He was prominent in local Democratic politics. In 1933 he was a presidential elector and in 1914 was United States commissioner in connection with celebration of the centennial of the Treaty of Ghent, which ended the War of 1812.

## Bankers Life Is Issuing Series of Juvenile Forms

The Bankers Life of Des Moines announces a new series of juvenile policies comprising 20-payment life and 20-year endowment which may be written from one day to age 15. Simultaneously the regular adult 20-payment, 20-year endowment and 18-payment life policies for ages at issue 10 to 15, inclusive, are withdrawn except in states where statutory restrictions prevent issuance of juvenile forms. Issuance of other regular plans down to age 10 will be continued under existing rules.

The new juvenile policies are on a percent reserve basis, containing all the essential provisions of the regular forms, including the same special settlement options as in the special ordinary life policy. In addition the juvenile policies provide that the original beneficiary, who has control of policy until the child reaches age 21, or in event original beneficiary dies before then, the first named contingent beneficiary, will have control and right to exercise all privileges granted in the policy.

These forms providing full protection after the child reaches age five nearest birthday, but graded until that age, will be issued for an ultimate amount of \$2,500 below age 10 and \$5,000 ages 10-15, inclusive, and minimum amount \$500. These amounts are varied in Colorado and Nebraska, where the state law covers, ultimate amounts in Colorado being none for under one year, \$1,000 for one to five years, \$2,500 for five to ten years and \$5,000 over ten years; and in Nebraska none under five years, \$1,000 five to six years, \$2,000 six to 14 years, \$5,000 14 to 15 years. The rates for these forms in \$1,000 ultimate amount are:

Under	20 Pay	20 End.	Age	20 Pay	20 End.
6 Mos.	\$26.08	\$48.71	8	\$24.95	\$46.92
1	25.88	48.81	9	25.14	46.92
2	25.85	48.82	10	25.41	46.97
3	25.63	48.51	11	25.73	47.07
4	25.37	48.11	12	26.06	47.17
5	25.11	47.69	13	26.40	47.28
6	24.88	47.27	14	26.75	47.39
7	24.84	47.02	15	27.11	47.51

### Dividend Results—1934 Scale 20 Payment Life

Under	2	3	5	10	15	20
6 Mos.	\$3.94	\$4.04	\$4.32	\$5.15	\$5.94	\$6.83
1	3.78	3.88	4.14	4.92	5.81	6.87
2	3.62	3.72	3.96	4.71	5.69	6.89
3	3.45	3.56	3.78	4.48	5.55	6.93
4	3.28	3.40	3.60	4.27	5.43	6.96
5	3.12	3.24	3.42	4.04	5.29	6.99
6	2.90	2.94	3.20	4.01	5.24	7.02
7	2.47	2.65	2.99	3.99	5.37	7.04
8	2.14	2.36	2.78	3.95	5.41	7.06
9	1.81	2.06	2.56	3.92	5.44	7.08
10	1.48	1.76	2.35	3.90	5.48	7.11
11	1.72	2.01	2.59	4.14	5.74	7.41
12	1.95	2.25	2.83	4.37	6.00	7.70
13	2.20	2.48	3.07	4.62	6.26	8.01
14	2.93	2.73	3.30	4.85	6.52	8.31
15	2.66	2.97	3.55	5.09	6.79	8.60

### 20 Payment Endowment

Under	2	3	5	10	15	20
6 Mos.	\$3.43	\$3.47	\$3.69	\$5.06	\$5.81	\$12.73
1	3.38	3.44	3.65	5.02	5.87	12.76
2	3.34	3.40	3.62	4.99	5.78	12.80
3	3.29	3.37	3.58	4.96	5.78	12.83
4	3.25	3.34	3.55	4.93	5.85	12.81
5	3.20	3.30	3.51	4.90	5.90	12.91
6	2.66	2.86	3.27	5.02	5.84	12.93
7	2.11	2.42	3.02	5.16	5.97	12.96
8	1.57	1.97	2.79	5.28	6.01	12.99
9	1.03	1.53	2.55	5.42	6.04	13.01
10	1.00	1.09	2.30	5.54	6.08	13.04
11	1.00	1.37	2.57	5.80	6.33	13.31
12	1.04	1.65	2.84	6.05	6.59	13.58
13	1.31	1.92	3.10	6.31	6.85	13.84
14	1.59	2.20	3.37	6.56	7.11	14.11
15	1.87	2.47	3.64	6.81	7.36	14.38

### Sales Records Reported

**Bankers National Life, N. J.**—Ten-month paid business increased 40 percent. Insurance in force increased \$3,330,000 or 13 percent.

**John H. Russell, Los Angeles, Pacific Mutual Life**—In one day drive 63 agents produced 107 applications for \$11,143 in premiums.

**H. S. Standish, Los Angeles, Sun Life of Canada**—Leads company's entire field of 139 agencies located in various countries. Albert Eschner, of the Standish agency leads the entire field force.

## RETURNING CONFIDENCE

is reflected in the experience of this Company during the first ten months of this year.

More applications were received and a larger amount of new insurance paid for than in any similar period in its history.

¶ In this same period Insurance in Force in this Company increased twenty-seven millions to a total of \$1,276,000,000.

¶ Requests for new loans have dropped to the pre-depression normal.

¶ *Ninety years of business life have taught a philosophy which is not dismayed even by five years of economic upheaval. This Company has experienced every major depression in the history of the nation save one,—that of 1819. The New England Mutual has lived to see economic conditions readjust themselves favorably after each former reaction.*



## NEW ENGLAND MUTUAL Life Insurance Company

Boston, Massachusetts

GEORGE WILLARD SMITH, President

Oldest Chartered Life Insurance Company in America—1835



## Liens on Missouri State Policies to Be Decreased

### CUT TOTAL THREE MILLION

**General American Life Announces Reduction of \$12 Per \$100, to Become Effective Dec. 31**

ST. LOUIS, Nov. 22.—The General American Life has set aside \$3,000,000 for reduction of liens on certain policies issued by the Missouri State Life on Dec. 31. This \$3,000,000, with additional earnings and profits on the business and assets of the old company in November and December, (less reserves), will bring a reduction of \$12 on each \$100 of lien. Approximately 162,000 policyholders are affected.

President W. W. Head stated that checks in payment of these lien reductions will be sent to policyholders who previously have paid off their liens in cash and have no other policy indebtedness. Others entitled to participate in the lien reduction will be credited on the books of the company with their proportionate share of the total amount to be distributed.

Originally the liens on Missouri State Life policies approximated \$32,000,000, but deaths, lapsations and other causes have reduced this total to about \$27,500,000. With earnings of \$300,000 applicable to the lien reduction, plus the \$3,000,000 now available for that purpose the balance due on the liens will be cut on December 31 to about \$24,200,000.

Last May the General American liquidated in full the \$7,163,858 which the Missouri State owed to the Reconstruction Finance Corporation and to banks at the time its business and assets were purchased.

The company reports that its net lapse ratio as of Sept. 30 was only 17.3 percent of the total volume of business in force Sept. 1, 1933. In this same period \$17,090,059 of lapsed insurance was reinstated by 8,529 former policyholders.

## Equitable Managers to Meet

**Central and Southern Departments' Conference to Be Attended by Several Officials**

Managers and unit managers of the central and southern departments of the Equitable Life of New York will hold a three-day conference at French Lick Jan. 14-16. This is the annual managerial gathering of the departments, to which this year the unit managers will be admitted.

It is anticipated that a large home office delegation will attend, probably headed by President T. I. Parkinson, and including W. W. Klingman, agency vice-president. An elaborate program devoted to problems of recruiting, selecting, training new agents and setting them into early production is being prepared.

The first day will be devoted to registration and get-together, probably with a dinner that night. Attendance of about 225 managers is expected.

## Abraham Lincoln Life's Name Figures in Bank Case

The name of the Abraham Lincoln Life of Springfield, Ill., was brought out by Otto Van Derck, clerk in the Amalgamated Trust & Savings Bank of Chicago, in his confession this week of fraud.

Announcement was made a few weeks ago that the Abraham Lincoln had been purchased and that Gustaf Lindquist, former Minnesota insurance commissioner, had been elected president.

Van Derck, in his confession, implicated four operators, saying that they informed him they were the purchasers

of the Abraham Lincoln. Those operators were Joseph Baiata, who once served a term as a swindler, Dave Barry, who refereed the Dempsey-Tunney fight, Attorney Abraham Karatz and Walter Ehlers, a broker.

Lindquist paid \$25,000 towards the purchase of the Abraham Lincoln on Nov. 1, and was to have paid \$25,000 more Nov. 15. He was granted an extension until Nov. 20, and the former management said that the money was not forthcoming at that time.

The dealings were most complicated. Van Derck said that Baiata and his associates caused Van Derck to cash a check for \$25,000 signed by the Abraham Lincoln on its account in the Amalgamated Trust. The check was properly signed and the company had a deposit of more than \$50,000, but Ehlers was not sufficiently identified and the cash was not turned over to him. He got a draft, cashable through any bank that would recognize Ehlers. An effort was made to send the draft through a St. Paul bank. That effort failed.

Earlier in the year the Abraham Lincoln Life was sold to some lawyers of Kansas City, named German, but shortly after the Germans had elected themselves officers and had taken control, the deal blew up and Insurance Director Palmer of Illinois insisted that

the old management proceed against the Germans and cause them to make good certain expenditures made while they were in control.

## John Rogers With Capitol Life

John E. Rogers, formerly with the home office of the Lincoln National at Fort Wayne, Ind., has become general agent for the Capitol Life of Denver in the Amarillo, Tex., territory.

## To Codify Georgia Law

ATLANTA, Nov. 22.—Governor Tammidge has appointed a special commission to revise and codify the insurance laws of Georgia. It includes Comptroller General W. B. Harrison, Assistant Insurance Commissioner L. A. Irons and Assistant Attorney General B. D. Murphy. Bills will be drawn for presentation to the next legislature in an effort to bring the insurance laws of the state up to date. The commission has already started its conferences and consultations.

## When the Cat's Away

J. P. Devine, manager home office agency Union Central in Cincinnati, has been on an enforced six weeks vacation, the result of an ultimatum given him by members of his agency in order

that he obtain a rest. For the first time since 1916, the Cincinnati agency, during Mr. Devine's absence, is the leading agency in the company for any one month in all departments. Net paid for business in October was \$1,237,000, the best October in its history.

The Cincinnati agency also had the two leading agents in the company for the month, as well as having four agents writing \$100,000 or more. Sis Hoffman led the company with \$240,000, followed by S. G. Marcan with \$222,002. G. K. Barnes wrote \$105,000 and R. E. Harrison \$100,000.

A bus was chartered by 40 agents to see Mr. Devine off at the train and the same group plans to greet and escort him home when he returns.

## Companies' Sales Records

**Kansas City Life**—Issued \$26,282,418 more business in the first ten months of this year than in the same period a year ago.

**Security Mutual Life, Neb.**—Sales for the first ten months are 73 percent ahead, with average size of policy decreased 2 percent. Term insurance decreased 44 percent, annuities increased 91 percent, endowments 100 percent and ordinary life 8 percent.

# Million Dollar Days

Inherent stability kept life insurance on an even keel through the storm period of depression. Favoring winds of recovery are carrying it forward to old-time marks of achievement.

October with The Great-West Life was the best month for ordinary "applied-for" business since June, 1931. Two of its days showed new ordinary business of over one million dollars each. Policies issued were the greatest in number of any month since December, 1931. Business in force (exclusive of group) showed the greatest increase in any month since June, 1930.

Million dollar days signify a return to desirable achievement and hold a promise of fruitful days ahead for aggressive life underwriters.

THE  
**GREAT-WEST LIFE**  
ASSURANCE COMPANY

HEAD OFFICE  
WINNIPEG - CANADA

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### Hope for a New Attitude

LIFE companies are naturally keenly interested in the \$33,000,000 annual saving to the country's railroads involved in the recent District of Columbia court decision holding the federal railroad pension act invalid, but they are even more interested in the decision as an indication that the courts may be relied upon to put the damper on Congress when the legislators seem disposed to take undue liberties with the Constitution.

The \$33,000,000 annual saving involved is considerably more than a drop in the bucket, representing about 7 percent of the roads' aggregate annual expenditures. With so many carriers failing to earn their fixed charges the ad-

ditional burden would be no mean amount to absorb. But it would probably mean the difference between solvency and receivership in only one or two borderline cases. Some roads already have pension plans that are more liberal than the federal proposal.

The real importance of the decision to life insurance companies and other investors is the hope it holds out that the era of baiting "big business" is coming to an end, that there is a growing realization that the way to recovery will be difficult and perhaps impossible if it is beset by too ambitious reform projects which slowly reviving industry is unable to assimilate in large doses. It is a bright spot in the prospect.

### Time to Help, Not to Condemn

IN OUR opinion, insurance in all its branches needs to push forward its best qualified men to participate in the commissions, committees or organizations that are endeavoring to cooperate with the federal administration in advancing the cause of the people and checking radical tendencies. We commend the action of the UNITED STATES CHAMBER OF COMMERCE in appointing a notable committee to work with the administration instead of against it. We have all been very prone to condemn many of the projects that have been set forth by President ROOSEVELT and his associates. Business has stood aloof and has not entered at all actively into the work of attempted recovery, as outlined in Washington.

We may not be in sympathy with the federal administration in many of its measures. The fact of the matter is that the last election, however, showed that the administration has back of it a great majority of the people. As the magazine "Time" points out in its current issue, granting that the 11 states in the south continue Democratic, the party can hold a majority in the United States senate until 1941 by electing senators in 1936 or 1938 in eight normally doubtful states. Even if a Republican president is elected in 1936, he will still have a hostile senate. Therefore, this country is confronted with a condition and not a theory.

Whatever we may think about President ROOSEVELT, he has in mind people rather than profits. This country cannot expect to be restored to any degree of prosperity with so many people unemployed. There is an intense human problem involved in all these economic activities. We all have our personal notions but the plain fact is that the people of this country believe in President ROOSEVELT and have high hopes that his program will succeed. Therefore, great responsibility rests on business enterprises to cooperate as best they can in the movement.

We, as a nation, have had a maximum of opportunity for individual initiative and have clamored on all occasions for the protection of individual rights. In the pursuit, however, of business, the welfare of individuals has often been overlooked. Business should be more than making profit for the owners. Human values to a large extent have been eliminated. Because all of us have neglected to assume our responsibilities and have taken too much time in looking out for ourselves, our country has been engulfed in unprecedented trouble and trial. The UNITED STATES CHAMBER OF COMMERCE, as the oracle of business in this country, is pointing the way toward greater responsibility of everyone in cooperating toward the creating of a brighter day. Let us all lend a helping hand.

## PERSONAL SIDE OF BUSINESS

The Martin T. Ford agency of the Equitable Life of New York in New York City is paying tribute to **Leonora B. Licht**, assistant manager, upon her completion of 25 years' service with the agency. In a campaign in her honor fine records have been established. It is anticipated production will exceed that of any campaign previously held. Several leaders are Harry Cohen, 102 points and one binder; George Maran, 88 points, and S. H. Mayper, C. L. U., 45 points and five binders.

Frank S. Baxter, general agent, and Harold H. Baxter, associate general agent, John Hancock Mutual at Rochester, N. Y., are recovering from severe injuries suffered in an automobile accident on Sept. 19. Frank Baxter has a fractured hip and will be disabled for several months. Harold Baxter expects to be back in his office in about two weeks. Injured in the same accident and recovering are Angelo L. DeNieri, Francis Kellogg and Bloss Chase, all leading producers in the same office.

L. C. Mersfelder, Oklahoma manager, will celebrate his 22nd anniversary with the Kansas City Life Nov. 29. Oklahoma agents of the company will honor Mr. Mersfelder during November.

Assistant Secretary E. C. Wyatt of the John Hancock Mutual, who completed 50 years of service with the company last September, died at his home at Newton, Mass.

James A. Giffin, assistant agency manager of the Phoenix Mutual Life, and Mrs. Giffin have sailed from New York for a vacation in Bermuda. They will return about Dec. 1.

The "Georgian Court Stable," owned by **George Godfrey Moore**, president of the National Reserve of Topeka, Kan., will make its last show for the year at the International in Chicago. The great champion junior mare, "Lady Jane" of Georgian Court, will be shown then. This horse was declared champion junior horse at the American Royal and at the Ak-Sar-Ben at Omaha in the last few weeks. It was also first in the mare stake at Indianapolis and Tulsa.

At the American Royal the "Georgian Court Stable" was first, with "Evening Time," in the colt stake; first and second in the yearling stake with "Miss Inez" and "Guy Bates Post"; second in the two-year-old fine harness stake with "Iva Glenn" and first in the three year old stake with "Vesta's Highland Choice." This makes the third consecutive year that "Georgian Court Stable" has won this event at the American Royal.

"Storm" of Georgian Court will be shown at Chicago. She has been a consistent winner in fine harness, combination, mare classes and champion stakes. There are a number of youngsters in the training stable that have never been shown and are now in training for 1935.

S. F. Westbrook, vice-president Aetna Life, talked on "Conditions in the West" at a luncheon meeting of the Kiwanis Club of Hartford. Mr. Westbrook recently returned after a trip, through the west, and spoke of his personal observations.

W. H. Jurgensen, president of the Western Union Life of Lincoln, Neb., received the highest vote of any candidate on the state ticket at the recent election when he was re-elected lieutenant-governor. His majority exceeded 65,000.

Stratford Morton, son of **Stratford Lee Morton**, St. Louis general agent, Connecticut Mutual Life, was a member of the Yale football team that turned back Princeton last Saturday. Young

Morton is the first string right halfback of Yale. He has played this year through the entire Georgia, Army, Dartmouth and Princeton games, a feat equaled by very few stars of modern football.

R. J. Shipley, San Francisco general agent of the Northwestern Mutual Life, will be married there Dec. 15 to Miss Catherine F. Corliss of St. Louis.

Harry Duker, president of the Sunset Mutual Life of Los Angeles and its subsidiary companies, was the guest of honor at a luncheon to celebrate the anniversary of the founding of the group. **Mike O'Sullivan**, vice president, was toastmaster.

J. R. Hanks, superintendent in Louisville for the Western & Southern Life, was honored at a banquet in celebration of his 25th anniversary with the company. C. M. Williams, vice-president, presented Mr. Hanks a gold watch.

Under the auspices of the Optimist Club of San Francisco, a luncheon was given to honor **H. A. Binder**, general agent Massachusetts Mutual Life, on his 15th anniversary in that position with the company in San Francisco. Seated at the speakers' table were Commissioner E. Forrest Mitchell, W. R. Spindley, president San Francisco Life Underwriters Association, Inc.; A. H. Van DeeZee, executive secretary, representing Mayor A. J. Rossi, and several other prominent figures of the city. A huge cake bearing 15 candles and a company "medal" were presented to Mr. Binder at the luncheon, which more than 200 of his friends and associates attended.

Dr. H. L. Fancher, medical director of the Provident Life & Accident of Chattanooga, died last week of pneumonia. He was 61 years of age.

James F. Rodgers, vice-president and agency director of the Gulf States Security Life of Dallas, celebrated his 25th year in the life insurance business Nov. 15. He was presented with a smoking set underneath the glass top of which appeared a scroll. On this scroll were listed the names of agents sending in business in his honor during this appreciation campaign. The total business produced was over \$1,100,000.

L. Edmund Zacher, president of the Travelers, was made a member of the corporation and a member of the board of managers of the Hartford Hospital at its annual meeting.

H. W. TenBroek, veteran Grand Rapids agent and founder of H. W. TenBroek & Sons, general agents of the Continental Casualty, Central of Iowa and Continental Assurance, is dead at the age of 74 years. He entered the life insurance business in that city in 1886 and in 1893 was transferred to Minneapolis as district superintendent. Later he was in charge of districts out of Fort Wayne and Chicago, returning to Grand Rapids in 1903. He opened the agency in 1905 with his sons, Chris and James, who now head the agency.

R. W. Huntington, president of the Connecticut General and dean of Hartford insurance heads, was honored by a mass meeting of officers and employees of the Connecticut General on the anniversary of his joining the company 45 years ago. G. E. Bulkley, vice-president, presented a 45-year service plaque. A silver carafe, gift of the home office, was presented by A. T. Vaughan, president of the Connecticut General Club. Mr. Huntington's office was made gay by a basket of chrysanthemums and other flowers, the gift of his associates. The agency force made a special one-day drive for new business in honor of



the occasion. Mr. Huntington was actuary and secretary before becoming president.

Miss Georgiana Mac Arthur, daughter of President Alfred Mac Arthur of the Central Life of Chicago was married at the Mac Arthur home at Libertyville, Ill., last Saturday afternoon to Henry B. Gardner, an attorney of Providence, R. I. Rev. H. E. Prince of the Church of the Holy Spirit at Lake Forest was the officiating clergyman. The bride attended school at Ferry Hall in Lake Forest.

Governor Laffoon of Kentucky has given a commission as colonel to Dr. J. Rozier Biggs of Washington, D. C., who is medical director of the People's Life and Continental Life and vice-president and medical director of the Union Cooperative, all having their home offices in Washington.

Francis S. Biggs of the Biggs-Darby Agency, Baltimore agents of the Massachusetts Mutual Life, was the guest of

the agency at a dinner on the occasion of his 77th birthday. Mr. Biggs, who is as active in the business as any of the members of the agency, was taken completely by surprise.

William A. Carter, general agent Penn Mutual Life, has been elected president of the Family Service Society of Salt Lake City.

L. M. Stice, who is in charge of the farm management section of the loan and investment department of the Illinois Bankers Life of Monmouth, Ill., was elected to the lower house of the Illinois legislature on the Democratic ticket. He is a son-in-law of President W. H. Woods of the company.

J. Victor Hines, for two years an agency supervisor at the head office of the Continental Assurance of Chicago, died this week following an operation. He was formerly in the general insurance business at East Chicago, Ind., and later was connected with the Franklin Life.

## LIFE AGENCY CHANGES

### Werts Akron General Agent

Northwestern Mutual's New Appointee  
Has Represented Company There  
for 17 Years

The Northwestern Mutual Life has appointed Russell E. Werts of Akron, O., general agent there with offices in



RUSSELL E. WERTS

the First-Central Tower building. He joined the company just 17 years ago as soliciting agent in Akron under E. E. Lincoln, then district agent, entering life underwriting after leaving college at West LaFayette, O.

His third year in the business Mr. Wertz paid for over \$300,000 and has averaged close to \$400,000 annually since, having paid for over \$6,000,000 with the Northwestern Mutual. He was appointed district agent at Akron Jan. 1, 1929, by the late J. S. Marsh, Cleveland general agent, when Mr. Lincoln was appointed general agent in Syracuse. The Akron district agency under Mr. Wertz' leadership has averaged over \$1,000,000 paid-for yearly, demonstrating his ability for organization work.

### Lincoln National's Agency at Davenport Is Enlarged

The appointment of Julius Gilbert as general agent, with Philip Sitrick as associate general agent, in a new and enlarged Davenport agency of the Lincoln National Life is announced. Mr. Gilbert has been connected with the Mu-

tual Life of New York since 1925—for six years as district manager in the Omaha agency and later as agency organizer of the Davenport agency in eastern Iowa and northern Illinois. He is an alumnus of the University of Nebraska and Columbia University.

Mr. Sitrick has represented the Lincoln National Life in the Tri-Cities for the past ten years. His duties will include personal service to his policyholders and assistance to Mr. Gilbert in agency expansion.

### Ohio State Makes Several New Appointments in Ohio

The Carter-Jenkins Agency Company, Masonic Temple, Akron, O., has been appointed general agent of the Ohio State Life to succeed George O. Tomlins, who has been called to the home office as head of the accident department. C. A. Botham, treasurer of the agency, will establish an aggressive life department in connection with it.

H. J. McCauley, who has represented the Ohio State Life in Canton for several months as district agent for the Akron agency, has been named district agent there, taking over the Stark county organization of the Akron agency. His father, Bert C. McCauley, will be associated with him.

C. R. Harvey has been appointed general agent of the Ohio State in Dayton, O. He succeeds E. L. Wilson, who wishes to be relieved of general agency work to concentrate on personal production. Mr. Harvey has been with the Dayton agency since last April.

### Great-West Life Promotions

The following promotions have been made by the Great-West Life. A. de L. Panet, who has been manager at Windsor, Can., has been promoted to manager at Ottawa. Since his appointment to Windsor in the fall of 1932 the branch has made steady progress. W. Preston Gilbride of the Toronto No. 2 agency has been appointed manager at London, Ont. At the company's business conference at Murray Bay this year he won the inter-agency sales demonstration trophy. D. H. Young, acting manager at London, has been made manager at Windsor. He has been associated with the head office agency department.

### Gets South Africa Post

A C. L. U. man becomes manager of the Manufacturers Life in South Africa, he being H. W. Shook. He replaces Arthur Pratt. J. Fleming Orr & Pratt were appointed representatives of the Manufacturers Life in South Africa in 1917. Mr. Pratt succeeded to

**A program of planned prospecting and planned working days brings results for the field men of THE LINCOLN NATIONAL LIFE INSURANCE COMPANY of Fort Wayne, Indiana. Working under such a program during October, 1934, LNL salesmen paid for the largest volume of business of any October since 1929. \* \* \***



## YOUR SERVICE IS WORTH YOUR PAY

Many a wild-goose chase has fallen to the lot of the life insurance salesman in recent years. Often his job has been more of collecting for what he has sold than of actual selling.

Fortunes have changed and he who had money yesterday may have none today. Knowledge of the prospect's true financial condition is as important to the man in the field as to his home office. Undelivered or lapsed policies earn money for neither.

The Life Underwriter's service is as worthy of pay as that of any professional man. He provides a protection-investment system, with a knowledge of working it, that is not available elsewhere. No act or failure to act should be allowed to lower the value of his service.

Most companies, like the Pan-American, endeavor to make their rates attractive to the buyer as well as profitable to the seller—the Life Underwriter. This is the basis of successful agency contracts.



For Agency Information Address  
**THEODORE M. SIMMONS**  
Manager United States Agencies

**PAN-AMERICAN LIFE INSURANCE CO.**  
NEW ORLEANS, U.S.A.

CRAWFORD H. ELLIS, President

EDWARD G. SIMMONS, Vice Pres. & Gen. Mgr.

the managership in 1930, with headquarters at Johannesburg. Mr. Shook was formerly at the head office, serving as cashier in Winnipeg, Brandon and Regina before being sent to Singapore as resident secretary in 1927. When F. S. Evans retired in 1930, Mr. Shook was appointed acting manager and later made manager.

#### Establishes Office at Erie

The C. A. Hinkley agency of the New England Mutual Life in Buffalo has established an office in Erie, Pa. R. W. Brooks, for several years with the Massachusetts Mutual in Erie and Buffalo, has been made district manager there with headquarters in the Ariel building. Agents of the New England Mutual there are just completing a study course given by C. S. Fegley, Jr., production manager of the Hinkley agency.

#### New Appointments in Iowa

The Bankers Life of Nebraska is consolidating its activities in Iowa, and announces the appointment of the following general agents: Art Denison, R. T. Jones, formerly with the Fidelity Life of Kansas City; at Fort Dodge, C. D. Deppe, formerly with the Register Life of Davenport, and at Waterloo, Harry

Darling, an experienced underwriter and big personal producer.

#### Berkshire Life at Baltimore

The Berkshire Life has appointed James D. King general agent in Baltimore, for Maryland, to fill the position left vacant by the death of Paul H. Stewart, who had served in that capacity for 27 years. Mr. King has represented a Massachusetts company in this territory for the past seven years as agent, supervisor and agency director.

#### Promotions by Great Western

J. E. Halterman, district director of the Great Western of Des Moines at Cherokee, Ia., since 1932, has been promoted to division director with headquarters at Rochester, Minn. Arthur Awe, special agent at Sioux City, Ia., has been appointed district director to succeed Mr. Halterman.

#### Ledgerwood to St. Paul

Carl W. Ledgerwood has been appointed agency director of the New York Life in St. Paul to succeed J. J. Corneveaux, who retires Jan. 1. Mr. Ledgerwood began his service with the New York Life in St. Paul 15 years ago, later serving the company at Fargo, N. D.,

and Duluth, Minn., where he has been manager the past seven years.

#### E. S. Ellison Assistant Manager

E. S. Ellison, Leroy, N. Y., has succeeded A. S. Kilburn as assistant manager of the Prudential ordinary force in that territory. Mr. Kilburn recently left Batavia for Portland, Me., to become manager there. Sidney Wertimer, Buffalo, is the manager with whom Mr. Ellison is associated.

#### C. E. Pierce With the Guardian

C. E. Pierce, formerly with the Phoenix Mutual Life in Buffalo, has become associate manager of the Guardian Life in the same city, working with Manager J. A. Whitmore.

#### Amicable Life Appointments

J. G. Harper has been appointed general agent of the Amicable Life of Waco, Tex., for eight west Texas counties, with offices at Midland, Tex. G. A. Blue, formerly a personal producer with that company, has been appointed general agent of the Amicable for Grayson, Collin and Fannin counties, with offices at Sherman, Tex.

#### H. R. Pickett

H. R. Pickett has resigned as assistant agency manager of the Equitable Life of New York in Seattle and has been appointed supervisor for the Oregon Mutual with headquarters at Eugene, Ore.

#### C. E. Schaeffer, A. C. Thomas

The State Life of Indianapolis has appointed C. E. Schaeffer general agent at Dayton, O., and A. C. Thomas, at Co-

lumbus, O. Mr. Thomas had been with the Travelers for two years.

#### Keller With Farmers & Bankers

C. W. Keller, formerly general agent of the Bankers Life of Nebraska, has been named Omaha general agent of the Farmers & Bankers Life of Wichita, Kan., with offices in the Barker building.

### Life Agency Notes

J. F. Stoltz has been named as general agent at Moberly, Mo., by the Midland Life.

A. H. Gumz, Superior, Wis., has been appointed district agent of the Penn Mutual Life, with offices in the Board of Trade building.

I. R. Brady, formerly district manager Acacia Mutual Life at Austin, Tex., has joined the southwest Texas branch office of the Southwestern Life of Dallas.

R. J. Vogelgesang has resigned as assistant manager of the Metropolitan Life at Keokuk, Ia. He plans to go into business for himself in Burlington, Ia.

G. C. Kilborn has been appointed district manager of the Penn Mutual Life for three counties in southeastern Minnesota with headquarters at Rochester.

J. V. Whaley has been appointed north Texas regional manager of the Great American Life of San Antonio, with offices at 902 Tower-Petroleum building, Dallas.

G. E. Millican, assistant manager Vicksburg, Miss., district, Standard Life of Mississippi, has been appointed manager of the district. He succeeds Lewis Wilson, who is transferred to the Meridian district as manager.

## Opportunities in Michigan Ohio and Illinois

Men of character and ability, who are anxious to represent a strong Mid-West Mutual Legal Reserve Company, are invited to correspond with us relative to open territory in Michigan, Ohio and Illinois.

Guarantee Mutual Life, now in its Thirty-third year of successful operation, with substantial increases in Assets and Surplus, offers an up-to-date Agency contract with liberal first year commissions and vested renewals.

For further details write to  
our Agency Department.

**GUARANTEE MUTUAL**  
**LIFE COMPANY**  
ORGANIZED 1901 OMAHA, NEBR.

ASSETS OVER \$16,500,000.00  
SURPLUS OVER 2,500,000.00

## NEWS OF THE COMPANIES

### Award Reinsurance Contract

#### Superior Court in Chicago Selects Old Republic Credit Life to Reinsure State Life, Illinois

Reinsurance of the State Life of Illinois, a company organized in 1925 to insure Masons, has been awarded the Old Republic Credit Life of Chicago by Superior Judge W. A. Lindsay in that city. Bids had been presented by the Pilgrim National Life, Chicago; Illinois Bankers Life, Monmouth, Ill., and Service Life of Omaha, in addition to the Old Republic Credit, the latter's bid having been recommended to the court by Director Palmer and Receiver H. B. Hershey. The recommendation was modified by the court in some particulars.

Under the reinsurance contract the Old Republic will reinstate any policies lapsed and entitled to reinstatement by their terms, as of the date of receivership. It will pay within 90 days after the date the reinsurance contract goes into effect, every valid claim for death occurring on or prior to the effective date of contract. There is to be an 80 percent lien to run until Dec. 31, 1949, unless cleared off before that date by liquidation of assets. Lien is waived on death claims during the period from effective date of contract to Dec. 31, 1944.

#### Other Details of Contract

There is a moratorium on loans and cash surrender values for five years on policies in effect at time of receivership, after which date the moratorium will go off except as regards liens still applying. Lien is to bear 4½ percent compound interest from date of receivership and is subject to adjustment.

The Old Republic Credit, a stock company, was a consolidation of the Bankers Credit Life of Birmingham, Ala., and Old Republic Life of Chicago, having been chartered Aug. 4, 1931. Its Dec. 31, 1933, statement

shows total admitted assets \$581,191, capital stock \$200,000, net reserve \$168,154, contingency reserve \$74,323, surplus \$100,000, insurance in force \$7,757,076. The State Life of Illinois, as of Dec. 31, 1932, had total admitted assets \$485,259, net reserve \$246,282, capital and surplus \$165,294 and insurance in force \$7,536,485.

Under the reinsurance contract the Old Republic Credit will receive compensation of \$1 per \$1,000 of extended insurance, \$1.50 per \$1,000 of annual renewable term insurance and \$2 per \$1,000 for all other types.

### Unusual Publicity Campaign

#### Bankers Life of Iowa Agents Send Nickels to Prospects to Buy Magazine Containing Ad

A unique method was prepared for agents of the Bankers Life of Des Moines to call the attention of selected prospects to the first in the series of full page national advertisements in the "Saturday Evening Post" which appeared early this month. The agents were furnished attractive mailing cards printed in black and red with facsimile of the heading of the "Saturday Evening Post," and cut out to hold a nickel. The magazine appears on the street Tuesday. The day before, Bankers Life agents sent these cards out calling attention to the ad to appear in the magazine the next day, giving the page number and offering the nickel with which to make the purchase.

The advertisement throughout emphasized safety factors in sound life companies and offered to those who replied a handsome booklet entitled "A Surplus of Safety." This brochure, which was printed most attractively, analyzed life insurance safety factors and those of the Bankers Life in detail, then on the last inside page gave a simple questionnaire, the answering of which would develop need for some form of estate planning



and programming in which life insurance would play an important part. The response all over the country has been great, Bankers Life officials report.

### Contributory Pension Plan for Life of Virginia Staff

RICHMOND, Nov. 22.—A contributory pension plan with insurance and retirement allowances has been adopted for its 2,000 industrial agents and home office employees by the Life of Virginia. Both the company and its employees will contribute to the pension fund but the entire cost of benefits allowed for past service will be borne by the company which has appropriated \$1,000,000 as a reserve fund for this purpose. The company, in affording this opportunity for financial security to its loyal workers, considers that it has taken a progressive step in line with current social trends. Six officers and employees whose service records average more than 40 years are retiring, including Frank E. Hall, vice-president, and R. B. Pegram and Frank Orgain, assistant secretaries.

### New Postal Union Officials

The Postal Union Life of Hollywood, Cal., which took over the Pacific Coast business of the Pacific States Life, has been sold by the Globe Insurance Associates, a holding company of San Francisco, to W. D. Bilbeck of Los Angeles, who also owns the National Guaranty Life, an assessment company. President Sam Sadowsky of the Postal Union has resigned and Mr. Bilbeck succeeds him. B. F. Wellington is vice-president, B. D. Malone, secretary and treasurer, and H. E. Kelley, assistant secretary.

### Plan New Agents' Contract

The Western & Southern Life is making plans to revise its industrial agents' contract at the end of the year. More liberalized features are expected.

### Located in Its Building

The Minnesota Mutual Life is now located in its own building at Sixth and Jackson streets in St. Paul. The offices are commodious and satisfying.

The name of the Grand National Life Insurance Association of Oklahoma City has been changed to the **National Insurance Union**.

## CHICAGO NEWS

### HAVILAND AGENCY GOING STRONG

In the first two weeks of November the F. H. Haviland agency of the Connecticut General Life in Chicago wrote \$600,000 new business. This agency, which has led the company for three consecutive months, being first in paid premiums in October, is battling neck-and-neck with the James V. Gridley agency of New York City for first place in the president's anniversary campaign. Both are about 250 percent of quota. The T. G. Murrell agency of New York City, which started from scratch some three years ago, was fourth in paid premiums in October and eighth for the ten months.

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### INSURANCE COUNCIL MEETING

The Insurance Advisory Council of Illinois, which is composed of representatives from the different insurance organizations looking after legislation, will meet in Chicago Nov. 27 to organize for the year. Last year Frank M. Chandler of Chicago, then president of the Illinois Insurance Federation, was chairman. This council coordinates the legislative activities of insurance in the state and acts in an advisory capacity. During the legislative season it meets every Monday. It is planned to invite other representative organizations to affiliate with the council.

The present organization consists of

the following groups with the first designated as delegate and the second, alternate: Casualty Insurance Managers Club, V. H. Bartholomew, Chicago; Standard Accident, and J. E. Callender, Ocean Accident; Chicago Association of Insurance Agents, Hamilton Loeb, Chicago, and L. M. Drake, Sr., Chicago; Chicago Association of Life Underwriters, C. B. Stumes, Penn Mutual, and Norris Bokum, Massachusetts Mutual; Chicago Board of Underwriters, L. E. Yager and J. S. Glidden; Illinois Association of Insurance Agents, Rockwood Hosmer, Chicago, and W. Herbert Stewart, Chicago; Illinois Life Insurance Companies, Henry Abels, Franklin Life of Springfield, and Harold Hodges, Continental Assurance of Chicago; National Association of Insurance Agents, P. B. Hosmer and Allan I. Wolff of Chicago; Chicago Surety Underwriters Association, E. C. Anderson, American Employers and W. H. Hansmann, Fidelity & Deposit.

The two other present organizations in the council are the National Automobile Underwriters Association and the National Board of Fire Underwriters.

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### BRENNAN LEADS COMPANY

J. H. Brennan of the Scholl & Brennan general agency of the Fidelity Mutual Life in Chicago was first of all the company's producers in cash premiums paid in October. He is now in third place for the year. The agency ranked second for October.

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### WESTERN & SOUTHERN EXPANDS

The Western & Southern Life has been expanding in Chicago and has created several new districts. A new Oak Park district will probably be formed very soon. A. O. Payton, superintendent of agents, is taking an active part in Chicago development and is in the city at least two days a week. A two days' sales drive was held last week.

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### BEHRENS AGAIN CHAIRMAN

President H. A. Behrens of the Continental Casualty and Continental Assurance has been reappointed chairman of the insurance division of the Illinois Chamber of Commerce. J. S. Kemper, president Lumbermen's Mutual Cas-

Agent No. 1:  
appointed 2 months ago—  
production 12 apps.

Agent No. 2:  
appointed 3 weeks ago—  
production 5 apps.

Typical of the records being established by new agents using our Salary Extension Plan are the above.

# TOLLICA

We have a few attractive District Agents' and General Agency openings in:

Illinois  
Iowa  
Michigan  
Minnesota  
Ohio  
S. Dakota  
Washington  
Wisconsin

**The Old Line Life Insurance Co. of America**  
Milwaukee Wisconsin

Entering its twenty-fifth year of service to Policyholders and Agents.

Send 9 cents in stamps for sample copy of  
**THE ACCIDENT & HEALTH REVIEW**  
The only exclusive accident and health paper published.  
Address your inquiry to A-1946, Insurance Exchange, Chicago

## \$106,000,000 in 4 years paid to beneficiaries and policyholders

• The Canada Life paid this large sum of money, an average of approximately \$73,000 per day to beneficiaries and policyholders during the last 4 years. In the same period it added over \$53,000,000 to its total assets to provide for future liabilities to policyholders. Assets for the protection of policyholders now total over \$226,500,000.

Established  
in  
1847

**Canada Life**  
Assurance Company

45 Years  
in the  
United States



**A Guaranteed Program**

To prospects who demand guaranteed results, who wish to know the exact premiums for each year, the exact paid-up value of a policy at any date and its exact worth in cash or income at retirement age we offer the

### COMMONWEALTH COUPON POLICY

This combines a well rounded insurance program in one policy which fills the above requirements on the guaranteed dividend basis.

In addition to the protection afforded the beneficiary it guarantees to the policyholder the amount of every premium, guarantees the number of premiums to be paid and guarantees the age when the policy will mature and become payable.

Commonwealth Life agents are enthusiastic in their praise of our COUPON POLICY—further evidence that this company, whose agents work under that unusual and highly successful plan of Commonwealth Cordial Cooperation, leads in giving an agent every possible help to insure permanent success—as well as in giving policyholders the very best in Life Insurance.

Further information regarding this successful policy will be given gladly to any agent.

I. Smith Homans, Vice-President

**COMMONWEALTH  
LIFE INSURANCE CO.  
LOUISVILLE, KY**

uality again becomes chairman of the division's executive committee. Both rendered splendid service to the cause during the year.

#### BESSER AGENCY IN MEETING

The annual agency dinner of the E. E. Besser, Jr., general agency of the Lincoln National Life of Chicago was attended by two home office officials, A. L. Dern, superintendent of agents, and Dr. W. C. Thornton, medical director. R. W. Barber, associate general agent, was toastmaster. Mr. Dern told of plans for 1935. He announced that the Lincoln National will make no in-

crease in rates on any forms for next year, either life or annuity contracts. Dr. Thornton and a number of district agents spoke.

#### DRIVE FOR BOWMAN

Nov. 3 was a big day for the De Forrest Bowman agency of the Bankers Life of Iowa in Chicago. It was Mr. Bowman's birthday and also the date of publication of the Bankers Life's first full page advertisement in the "Saturday Evening Post." In the four days ended Nov. 3, the date of publication of the magazine, the agency produced \$126,000 of business, 15 agents scoring.

## AMONG COMPANY MEN

### Hughes Named Vice-president

**Actuary of Columbian National Life  
Also Made Executive Officer,  
Retaining Old Title**

Actuary H. M. Hughes of the Columbian National Life of Boston was elected vice-president, retaining the title of actuary. He is a native of Toronto, a fellow of the Actuarial Society of America and associate of the American Institute of Actuaries.

He joined the actuarial department of the Excelsior Life of Toronto in 1918, remaining until 1927, when he went with the Columbian National as assistant actuary. In 1930 he was appointed assistant actuary of the Lincoln National Life, and in March, 1931, he returned to the Columbian National as actuary. He was elected a director and member of the executive committee.

Mr. Hughes in 1933 became a member of the agency committee and working with President F. P. Sears and Vice-president A. A. McFall, has been active in the plans which have resulted in a steady and substantial increase in new business every month this year.

### Howland, Brigham, in Midwest

Fred A. Howland, president of the National Life of Vermont, and E. S. Brigham, vice-president and chairman of the finance committee, have been touring the midwest for the last two weeks, seeking to get a better understanding of the farm loan situation, looking into company investments and visiting agency organizations. At Lincoln Mr. Howland said the company had noted an appreciable increase in busi-

ness this year, and expressed the belief that general business will continue to pick up in all lines if the government does not interfere too much. The company's experience with farm loans has been no more unsatisfactory than other investments, and he still believes in the soundness of the farm mortgage. The entrance of the government into this field of investment had resulted in narrowing the opportunity of insurance companies because of competition in rates, he said.

### Imperial Life Appointments

F. J. Weston, who has been for many years managing director of the Imperial Life of Canada, has been elected vice-president as well. Charles McCrea, K. C., former minister of mines for Ontario, has been elected a director.

### Cummings Tours Southwest

H. J. Cummings, vice-president and superintendent of agencies Minnesota Mutual Life, is on an extensive agency trip. He has visited San Antonio, Austin, Dallas, and Fort Worth, Tex., going from Fort Worth to Denver. He will return to the home office Dec. 10.

### Bond Is Educational Director

George Bond has been appointed educational director of the Mid-Continent Life of Oklahoma City. He is a 1914 graduate of Oklahoma University and has been in life insurance for 16 years, largely in agency work. He was until recently Oklahoma City general agent of the Union Central Life. He is president Oklahoma City C. L. U. chapter. He was for 13 years with the Mutual Life of New York.

only under applications received at branch offices on or before Dec. 3. Rates and dividends for the new participating annuities are the same as for those of the Equitable Life of New York appearing in another column, except the cash refund annuity which is not included in the Equitable's new line. Rates and dividends are:

#### Cash Refund Annuity (DIVIDENDS PER UNIT OF \$100 YEARLY)

Age	Price	1	2	3	4	5
20	\$2,669.90	15.37	15.22	15.07	14.92	14.77
21	2,680.50	15.37	15.22	15.07	14.92	14.77
22	2,691.10	15.37	15.22	15.07	14.92	14.77
23	2,701.70	15.37	15.22	15.07	14.92	14.77
24	2,712.30	15.37	15.22	15.07	14.92	14.77
25	2,722.90	15.37	15.22	15.07	14.92	14.77
26	2,733.50	15.37	15.22	15.07	14.92	14.77
27	2,744.10	15.37	15.22	15.07	14.92	14.77
28	2,754.70	15.37	15.22	15.07	14.92	14.77
29	2,765.30	15.37	15.22	15.07	14.92	14.77
30	2,775.90	15.37	15.22	15.07	14.92	14.77
31	2,786.50	15.37	15.22	15.07	14.92	14.77
32	2,797.10	15.37	15.22	15.07	14.92	14.77
33	2,807.70	15.37	15.22	15.07	14.92	14.77
34	2,818.30	15.37	15.22	15.07	14.92	14.77
35	2,828.90	15.37	15.22	15.07	14.92	14.77
36	2,839.50	15.37	15.22	15.07	14.92	14.77
37	2,850.10	15.37	15.22	15.07	14.92	14.77
38	2,860.70	15.37	15.22	15.07	14.92	14.77
39	2,871.30	15.37	15.22	15.07	14.92	14.77
40	2,881.90	15.37	15.22	15.07	14.92	14.77
41	2,892.50	15.37	15.22	15.07	14.92	14.77
42	2,903.10	15.37	15.22	15.07	14.92	14.77
43	2,913.70	15.37	15.22	15.07	14.92	14.77
44	2,924.30	15.37	15.22	15.07	14.92	14.77
45	2,934.90	15.37	15.22	15.07	14.92	14.77
46	2,945.50	15.37	15.22	15.07	14.92	14.77
47	2,956.10	15.37	15.22	15.07	14.92	14.77
48	2,966.70	15.37	15.22	15.07	14.92	14.77
49	2,977.30	15.37	15.22	15.07	14.92	14.77
50	2,987.90	15.37	15.22	15.07	14.92	14.77
51	2,998.50	15.37	15.22	15.07	14.92	14.77
52	3,009.10	15.37	15.22	15.07	14.92	14.77
53	3,019.70	15.37	15.22	15.07	14.92	14.77
54	3,030.30	15.37	15.22	15.07	14.92	14.77
55	3,040.90	15.37	15.22	15.07	14.92	14.77
56	3,051.50	15.37	15.22	15.07	14.92	14.77
57	3,062.10	15.37	15.22	15.07	14.92	14.77
58	3,072.70	15.37	15.22	15.07	14.92	14.77
59	3,083.30	15.37	15.22	15.07	14.92	14.77
60	3,093.90	15.37	15.22	15.07	14.92	14.77
61	3,104.50	15.37	15.22	15.07	14.92	14.77
62	3,115.10	15.37	15.22	15.07	14.92	14.77
63	3,125.70	15.37	15.22	15.07	14.92	14.77
64	3,136.30	15.37	15.22	15.07	14.92	14.77
65	3,146.90	15.37	15.22	15.07	14.92	14.77
66	3,157.50	15.37	15.22	15.07	14.92	14.77
67	3,168.10	15.37	15.22	15.07	14.92	14.77
68	3,178.70	15.37	15.22	15.07	14.92	14.77
69	3,189.30	15.37	15.22	15.07	14.92	14.77
70	3,199.90	15.37	15.22	15.07	14.92	14.77
71	3,210.50	15.37	15.22	15.07	14.92	14.77
72	3,221.10	15.37	15.22	15.07	14.92	14.77
73	3,231.70	15.37	15.22	15.07	14.92	14.77
74	3,242.30	15.37	15.22	15.07	14.92	14.77
75	3,252.90	15.37	15.22	15.07	14.92	14.77
76	3,263.50	15.37	15.22	15.07	14.92	14.77
77	3,274.10	15.37	15.22	15.07	14.92	14.77
78	3,284.70	15.37	15.22	15.07	14.92	14.77
79	3,295.30	15.37	15.22	15.07	14.92	14.77
80	3,305.90	15.37	15.22	15.07	14.92	14.77

#### Life Annuity

—Dividends End of Year—

Age at Issue	1	2	3	4	5	5 Yrs.
25	\$14.77	\$14.64	\$14.51	\$14.39	\$14.27	\$72.58
30	14.27	14.13	13.98	13.85	13.71	69.94
35	13.72	13.56	13.41	13.25	13.10	67.30
40	13.12	12.95	12.78	12.61	12.45	64.65
45	12.48	12.29	12.11	11.93	11.75	62.00
50	11.81	11.61	11.41	11.22	11.04	59.35
55	11.13	10.91	10.71	10.51	10.33	56.70
60	10.45	10.22	10.01	9.81	9.63	54.05
65	9.79	9.56	9.35	9.16	8.98	51.40
70	9.13	8.90	8.69	8.51	8.34	48.75
75	8.47	8.24	8.03	7.85	7.68	46.10
80	7.81	7.58	7.37	7.19	7.02	43.45
85	7.15	6.92	6.71	6.53	6.36	40.80

#### Instalment Refund Annuity

Age at Issue	1	2	3	4	5	5 Yrs.
25	\$15.31	\$15.17	\$15.03	\$14.89	\$14.75	\$75.15
30	14.86	14.71	14.55	14.39	14.23	72.74
35	14.37	14.20	14.03	13.86	13.68	70.33
40	13.86	13.67	13.48	13.29	13.09	67.93
45	13.30	13.10	12.89	12.68	12.46	65.52
50	12.74	12.51	12.28	12.05	11.82	63.11
55	12.17	11.93	11.68	11.43	11.17	60.70
60	11.61	11.34	11.07	10.80	10.53	58.29
65	11.06	10.77	10.48	10.19	9.90	55.88
70	10.53	10.22	9.91	9.60	9.30	53.47
75	10.01	9.69	9.37	9.05	8.74	51.06
80	9.50	9.17	8.84	8.51	8.19	48.65
85	9.00	8.66	8.32	7.99	7.66	46.24

### Bankers Life One of First to Issue "Par" Annuities

Interest manifested in the announcement of participating annuities made by the Equitable Life of New York and the New York Life, recalls the fact that the Bankers Life of Des Moines came out in January with participating single premium immediate annuities. The in-

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

### New York Life Has Par Form

**New Series of Annuities Announced  
as of Dec. 1; Double Indemnity  
Rates to Go Up**

The New York Life is another company bringing out participating annuities. After Dec. 1 all applications for immediate life annuities, either single life or joint and survivor, will be considered only on the new par form which is on a 3 percent interest basis with purchase price accordingly somewhat higher than for the old forms.

The New York Life's announcement also gives dividend illustrations which are extended only to five years. The dividends will be payable only in cash, no provision having been made to leave them at interest or apply to purchase of additional annuities. Dividends for joint and survivor annuities require much

more work to compile and will be quoted in individual cases upon request to the home office. Single life annuities will be issued with provision for cash or instalment refund at the death of annuitant, but no cash values available during his lifetime. Joint and survivor annuities will not be issued with the cash or instalment refund as demand for these is almost negligible.

New rates for annual premium and single premium retirement annuities will be effective from Jan. 1, and also for survivorship and deferred survivorship annuities. Hereafter all applications for annuities must be signed by the person or persons on whose life or lives the annuity is to be paid, exceptions being allowed for very young children, when the signature of parent or guardian will be accepted.

Since the New York Life has pending an increase in double indemnity premiums, the current rates for addition of the clause to existing policies will apply



novation at the time did not attract much attention, the higher interest guaranteed in the non-par annuities offered, by other companies being a superior attraction.

#### Manufacturers Life

The Manufacturers Life of Canada will continue its same dividend scale for 1935 as for the last three years. The rate of interest on dividends and other funds left with the company will draw 4 percent interest hereafter.

#### Ohio State Life

The Ohio State Life has announced a new juvenile 20-pay life income endowment at age 60, which is new to the juvenile field and is somewhat similar to the company's retirement income bonds, which have proved so popular with adults. At age 60, each unit, \$1,000 face amount, pays \$1,400 in cash or a monthly income of \$10 for 100 months certain and life thereafter. The new policy is said to be especially at-

tractive to the class of people whose earnings permit a larger savings program for the child than that called for by the juvenile 20-pay endowment at age 85. The new policy also embraces provisions for an attractive educational program for the child.

#### Mutual Benefit Life

The Mutual Benefit Life announces that the 1934 dividend scale will be continued in 1935. The rates of interest allowed in 1934 on income options and dividend accumulations will be continued in 1935.

#### John Hancock Mutual Life

The John Hancock Mutual Life announces the present scale of dividends to policyholders will be maintained during 1935. The company will set aside for these dividends a sum approximating \$15,800,000. On funds left on deposit, including sums held under supplementary contracts, it was announced that a maximum rate of interest of 4 percent will be allowed for 1935.

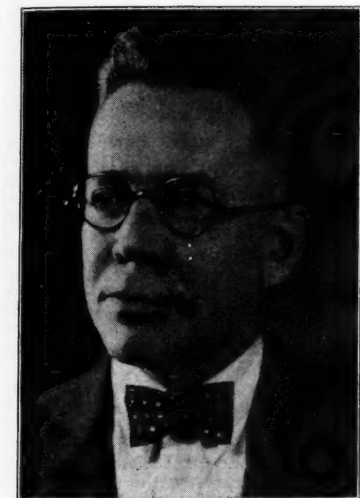
## NEWS OF LIFE ASSOCIATIONS

### Rogers Is Indiana President

State Association of Life Underwriters Elects Officers at Its Annual Meeting

H. L. Rogers, Indiana manager of the Equitable Life of New York, has been chosen president of the Indiana Associa-

tion of Life Underwriters; H. A. Luckey, manager Life Insurance Company of Virginia, vice-president; L. E. Ferguson, manager Phoenix Mutual Life, treasurer, and F. P. Huston, "Insurance Research & Review," secretary.



H. L. ROGERS

Insurance Commissioner H. E. McClain in his talk referred to the value of cooperation among insurance agencies.

#### Many Officials Are Guests

Guests at the meeting included Deputy Insurance Commissioner J. B. Crawford, Actuary Lloyd Thompson of the state insurance department; John C. Kidd, former Indiana commissioner, and executive secretary of the Association of Legal Reserve Life Companies of Indiana; E. A. Kreuger, president Indianapolis C. L. U., and D. W. Flickenger, president Indianapolis General Agents Association.

There were seven local associations represented, by their presidents, H. E. Nyhart, Indianapolis; V. J. Harrold, Ft. Wayne; J. H. Black, Terre Haute; W. G. Batt, Richmond; L. M. Carr, Lafayette; J. M. Reitz, South Bend, and V. U. Poindexter, Anderson. John A. Scott of Gary and Percy Logston of Evansville were delegates from their bodies.

Plans were instituted for the intensive organization of the outlying districts of the state in a system of non-

### Riehle Welcomed to Boston

No Hard Feelings Regarding Convention —Dr. David McCahan Talks on C. L. U.

T. M. Riehle, president of the National Association of Life Underwriters, paid his first visit to Boston in his official capacity and spoke at the November luncheon of the Boston Life Underwriters Association. If the Boston life men held any secret grievance over the fact the annual national convention was not given to Boston there was no audible evidence for the matter was not brought up and the most cordial and enthusiastic greeting was given the new president. President Riehle said the American people do not want their economic affairs handed over to the government, that life insurance is the only practical way ever devised for insuring the economic future of the people. Last year \$1,000,000,000 in life insurance applications was rejected which is good evidence that life insurance was on the upturn.

#### C. L. U. Not Meant for All

Dr. David McCahan, newly elected dean of the American College of Life Underwriters, spoke on "The Value of a C. L. U. Designation to You." He said it is not intended that all underwriters should be C. L. U. men, as it is obvious it is not needed for certain classes and conditions of insured.

The constitution of the Boston association is changed to comply with the new fiscal year of the national body, which begins July 1. Officers elected by the Boston association next January will hold office for 18 months.

\* \* \*

### Kansas Agents Organize New Group with Swinney as Head

The Kansas Association of Life Underwriters has been launched following an organization meeting in Emporia. Lem Swinney, Wichita general agent of the Pacific Mutual, was elected president for a term expiring July 1, 1935, and vice-presidents selected were H. W. Moore, Mutual Life of New York, Topeka; Marietta Etta, Hutchinson, and R. B. Daniel, Northwestern

# AMERICAN CENTRAL LIFE

## INSURANCE COMPANY

ESTABLISHED 1899

INDIANAPOLIS, INDIANA

● All policy contracts are issued on a non-participating basis with guaranteed benefits at a guaranteed low cost. No guesses, no estimates, no uncertainties, no change in what the client has to pay.

★ GUARDIAN LIFE ★

★ NEWS ★

### "Junior Premium Guarantor" Makes Bow!

In the new Junior Premium Guarantor Contract Guardian Agents have an effective means of increasing interest in and facilitating the sale of insurance on the lives of the junior partners in the home—sons and daughters ten years of age and older.

Guardian men and women tell us that the contract is a winner. It helps close sales ... it adds commission dollars.

THE GUARDIAN LIFE

INSURANCE COMPANY OF AMERICA

ESTABLISHED 1866

50 UNION SQUARE

NEW YORK CITY



## Unbounded Opportunities

**I**N its combination of protection plus profitable investment, life insurance has no parallel among the business forces contributing to the structure of our country—social and financial. It is one of the outstanding professions of the day. Because of its high ideals, faithfully observed and practiced, it has the confidence of the public.

Every life underwriter is to be congratulated on his choice of profession. His opportunities are unbounded.

You, too, have the privilege of making this profession yours. If you are interested, you will find it pays to be friendly with the

## PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT

INDIANA



## HIS FUTURE DEPENDS ON EFFECTIVE PLANNING

How confidently will he face the years to come? What will be his equipment for life, his chances of success?

A College Education has an estimated money value of from \$50,000 to \$150,000 . . . it gives greater mental ability . . . broader social contacts . . . higher professional standing and larger business opportunities . . . a richer, more complete life.

A father's best investment is his son's future. Girard Agents are given the opportunity of furthering educational plans through advice based on experience and an efficiency made possible through modern Life Insurance service tools.

## GIRARD LIFE INSURANCE COMPANY

Opposite Independence Hall

Philadelphia, Pennsylvania

National, Salina. The secretary-treasurer and standing committees will be named later by the president. The association will be incorporated and will hold its next meeting at the annual Kansas sales congress, scheduled for May in Hutchinson.

Over 20 representatives from the Topeka, Salina, Hutchinson and Wichita associations attended. Lynn Smith, Connecticut Mutual, Wichita, acted as temporary chairman and R. K. Pfremmer, Wichita manager of the Aetna, as secretary. The organization commit-

tee's report presented by Mr. Swinney was adopted. A constitution and by-laws were approved subject to ratification by the four local associations at their meetings.

Two important subjects to receive immediate attention are a proposed agreement covering qualifications for part time agents and a study of needed insurance legislation. In the latter case the new association will work in close harmony with the Kansas Association of Insurance Agents, the fire and casualty organization.

## ACCIDENT AND HEALTH FIELD

### Life Man on Accident-Health

**Halsey Steins Tells Chicago Club Why He Is Now Centering His Activities in That Field**

Halsey Steins, formerly an exclusive life insurance man, but now giving his main attention to accident and health insurance, who has maintained a monthly average of \$100 in accident and health commissions in 1934 in addition to taking care of his other insurance interests, told the Accident & Health Insurance Club of Chicago at its meeting Wednesday that if he were starting in the insurance business today he would start as an accident and health man.

"I believe there is less competition for a salesman in this phase of this insurance business than any other, at least at the present time. I would also select it because I do not know of any other phase of the business in which the opportunity to demonstrate one's sincerity of purpose is any greater, or even as great," he said.

#### Was Stranger in Chicago

Mr. Steins went to Chicago as an absolute stranger, using directories to make up his first prospect list and in eight years wrote \$2,000,000 of life insurance there. By the time the ninth year started, however, he realized that he would have to seek other fields of income if he were to remain in the insurance business and maintain his standard of living. He therefore turned to accident and health.

"This new deal of mine has been in force for nearly 11 months," he said, "and I am happy to say that it has succeeded better than I had dared to hope. Instead of adding \$50 a month of new accident and sickness commissions, I have added \$100."

Mr. Steins then gave an interesting comparison of the possibilities of renewal commissions in life insurance and in accident and health, showing that \$5,000 premiums a year in life insurance means an income of \$2,500 the first year, going on up to \$4,750 the tenth year, remaining at that level thereafter until it commences to drop as old age sets in. The same \$5,000 premiums in accident and health would mean a first year income of only \$1,250, but by the tenth year it would be \$12,500 and instead of reaching the maximum income at the end of ten years, it would go on to higher levels. Instead of facing the inevitable reduction at old age as in the life insurance business, it could be maintained by merely replacing that part of the business which did not renew.

### New Accident Department Head

The Ohio State Life has promoted George O. Tomlins, who has been general agent of the company at Akron, O., to manager of the home office accident department. Mr. Tomlins has had many years of experience in accident and health insurance and has a record of having produced 23 applications in a single day. Expansion of the department is planned under Mr. Tomlins' direction. S. P. Deeds, claim adjuster for the department for 25 years, will take on additional work in the expansion program.

### American Life New Departure

**Denver Company Will Write Health and Accident — Rex Bixby to Be in Charge**

C. W. Helser, president of the American Life of Denver, announces that on Jan. 1 the company will establish a health and accident department, having a complete line of policies to supplement its life insurance service.

Rex Bixby has been chosen as vice-president in charge of the new department. Mr. Bixby graduated from the University of Nebraska. After war service he became agency manager of the Bankers Life of Iowa in Nebraska, later served as agency supervisor for the Aetna Life in Arkansas and Louisiana, then was supervisor of agencies for the Bankers Reserve Life at Omaha covering 41 states. He became general manager for the State Reserve Mutual of Denver and then manager of the health and accident department of the Colorado Life.

President Helser states that the American Life has undertaken the establishment of the health and accident department after an intensive study of the field. It believes that there is a definite need in western territory for a strong and active western health and accident organization. President Helser states that the company will not include a multiplicity of policy forms but will feature instead a limited but wholly adequate number of policies, each designed to fit certain definite protection needs.

In the beginning, all health and accident business will come through the regular life organization, but as time goes on it expects to develop also a health and accident field force. Life agents will represent the department for commercial lines.

### E. C. Hall Resigns

E. C. Hall has resigned as manager of the accident and health department of the Pacific States Life, a position he has held for four years.

### Former Tennessee Official Again Given Prison Term

NASHVILLE, TENN., Nov. 22—Former Insurance Commissioner Joseph I. Reece has been sentenced to six years in the penitentiary following the verdict of a jury, which found him guilty of breach of trust and embezzlement of public funds. He was also fined \$16,364, the amount named in the indictment as unaccountably missing from unadjusted back tax funds deposited in two East Tennessee banks. These special funds consisted of back taxes paid under protest by insurance companies. Attorneys for Mr. Reece notified the court that they will make a motion for a new trial. Mr. Reece is on bond awaiting ruling of the Tennessee supreme court on an appeal from a conviction for larceny of \$100,000 worth of bonds deposited with the insurance department. The conviction, which was gained at a trial here last spring, carried a prison term of from three to ten years.



# Equitable of New York's New Annuity Rates, Dividends Out

(CONTINUED FROM PAGE 3)

piration of the present option and securing, after additional premium payments, a guaranteed life income, ten years certain, of approximately \$10 per month per \$1,000 face amount.

All child's and pure endowments with or without return, annual and single premium basis, will be withdrawn due to limited demand for these forms.

## Withdraw Cash Refund Form

Immediate annuities on the life refund joint and survivor and special life plans are being issued on the 3 percent participating basis. The cash refund annuity, for which there has been comparatively little demand, is being withdrawn as are all deferred annuities other than retirement annuities, which latter, however, will be continued on both annual premium and single payment basis.

In all retirement annuity contracts, which will be issued on a 3 percent reserve annuity basis, a new schedule of surrender values, death benefit amounts and income payments applies. The values are being reduced and a ten year certain life annuity retirement option inserted replacing the present refund annuity option. A somewhat similar change to this latter one is being made in the optional retirement policy. The retirement annuity as heretofore will not be entitled to dividends after commencement of annuity payments except during the ten-year guaranty period where the ten-year certain life annuity option is elected.

## Other Changes Are Made

The society has discontinued the practice of making loans in connection with payment of consideration of single payment retirement annuity contracts. All such considerations are to be payable entirely in cash. No applications will be entertained by the company for a loan on such a contract concurrent with or within a period of six months following payment of consideration. All of the changes except introduction of the new participating annuity are effective Jan. 1.

Several changes will be made in policy clauses of all life and annuity contracts. In life forms after Jan. 1 there will be a clause permitting, except in case of loans to pay premiums thereunder, deferment of loan or surrender value for a period not to exceed six months (in practically all states). In retirement annuity forms there will be a clause permitting the payment of cash surrender values in 24 monthly installments.

## Settlement Option Changes

In all forms there will be a revised table of modes of settlement values under which life income amounts (option 3) will vary both as to age and sex. Right to elect any mode of settlement other than cash will be dependent upon there being at least \$1,000 available for that purpose. There will be included a contractual provision permitting the assured to elect options 1, 2, 3 or 4 of the optional modes of settlement for cash value (after the fifth year) for his own benefit, provided assured himself has the right to receive the cash value. Only option 3 will be so available for use of the cash value under retirement annuities. In view of this the present annuity rider and optional settlement riders are being withdrawn.

None of the new contracts or riders will contain the old or any similar provision under which any annuity income guaranteed in settlement of the contract might be increased if the then current annuity rates less 3 percent would provide a greater annuity income.

A new schedule of slightly increased accidental death benefit rates will become effective Jan. 1. These new rates also will apply in case of the addition of the benefit to outstanding policies,

which again will be permitted after Jan. 1.

Another change is reduction of interest rate charged on semi-annual, quarterly and monthly rates. The new scale is: Semiannual, reduced from 4 to 3 percent; quarterly, reduced from 3 to 4½ percent, monthly, reduced from 6½ to 5 percent.

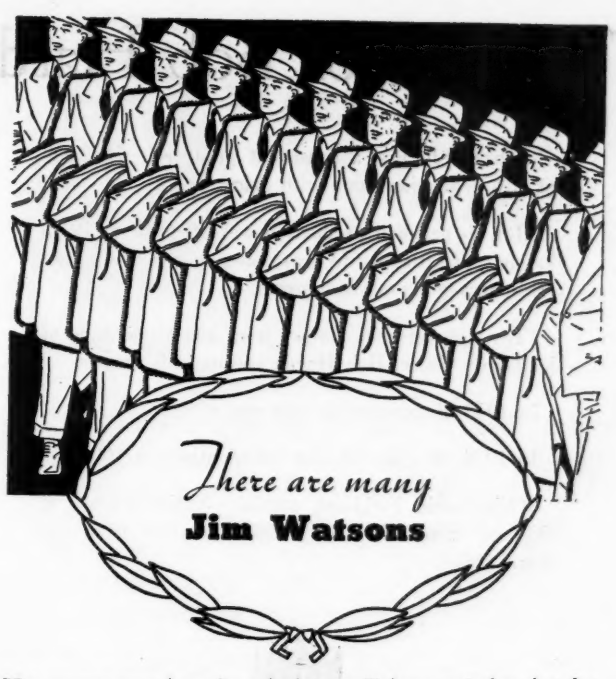
Rates and dividends for the participating annuities are:

Life Annuity						
Price of \$100 Income		Annual Dividends				
Age a. yr.		1	2	3	4	5
20	\$2,570.50	\$12.80	\$13.24	\$13.68	\$14.12	\$14.56
21	2,549.20	12.72	13.16	13.60	14.04	14.48
22	2,527.40	12.64	13.08	13.52	13.96	14.40
23	2,505.00	12.56	13.00	13.44	13.88	14.32
24	2,482.00	12.48	12.91	13.35	13.79	14.23
25	2,458.50	12.40	12.83	13.27	13.71	14.15
26	2,434.50	12.32	12.75	13.19	13.63	14.07
27	2,409.90	12.24	12.67	13.11	13.55	13.99
28	2,384.60	12.16	12.59	13.03	13.47	13.91
29	2,358.80	12.08	12.51	12.94	13.37	13.81
30	2,332.50	12.00	12.43	12.86	13.30	13.74
31	2,305.50	11.92	12.35	12.78	13.22	13.66
32	2,278.00	11.84	12.27	12.70	13.14	13.58
33	2,249.90	11.76	12.19	12.62	13.06	13.50
34	2,221.20	11.69	12.12	12.55	12.98	13.42
35	2,191.90	11.61	12.04	12.47	12.90	13.34
36	2,162.10	11.53	11.96	12.39	12.82	13.26
37	2,131.70	11.46	11.89	12.32	12.75	13.19
38	2,100.70	11.38	11.81	12.24	12.67	13.11
39	2,069.20	11.30	11.73	12.16	12.59	13.03
40	2,037.10	11.23	11.66	12.09	12.52	12.95
41	2,004.50	11.16	11.59	12.02	12.45	12.88
42	1,971.40	11.09	11.52	11.95	12.38	12.81
43	1,937.80	11.02	11.45	11.88	12.31	12.74
44	1,903.70	10.95	11.38	11.81	12.24	12.67
45	1,869.10	10.88	11.31	11.74	12.17	12.60
46	1,834.00	10.81	11.24	11.67	12.10	12.53
47	1,798.60	10.75	11.18	11.61	12.04	12.47
48	1,762.70	10.68	11.11	11.54	11.97	12.40
49	1,726.40	10.62	11.05	11.48	11.91	12.34
50	1,689.80	10.56	10.99	11.42	11.85	12.28
51	1,652.80	10.50	10.93	11.36	11.79	12.22
52	1,615.60	10.44	10.87	11.30	11.73	12.16
53	1,578.00	10.38	10.81	11.24	11.67	12.10
54	1,540.30	10.33	10.76	11.19	11.62	12.05
55	1,502.20	10.28	10.71	11.14	11.57	12.00
56	1,464.20	10.23	10.66	11.09	11.52	11.95
57	1,425.90	10.18	10.61	11.04	11.47	11.90
58	1,387.60	10.14	10.57	11.00	11.43	11.86
59	1,349.20	10.09	10.52	10.95	11.38	11.81
60	1,310.80	10.05	10.48	10.91	11.34	11.77
61	1,272.50	10.01	10.44	10.87	11.30	11.73
62	1,234.30	9.98	10.41	10.84	11.27	11.70
63	1,196.10	9.94	10.36	10.79	11.22	11.65
64	1,158.20	9.91	10.33	10.76	11.19	11.62
65	1,120.40	9.88	10.30	10.73	11.16	11.59
66	1,083.00	9.86	10.28	10.71	11.14	11.57
67	1,045.80	9.83	10.25	10.68	11.11	11.54
68	1,008.70	9.81	10.23	10.66	11.09	11.52
69	972.60	9.79	10.21	10.64	11.07	11.50
70	936.60	9.77	10.19	10.62	11.05	11.48
71	901.20	9.73	10.15	10.58	11.01	11.44
72	866.20	9.74	10.16	10.59	11.02	11.45
73	831.80	9.73	10.15	10.58	11.01	11.44
74	798.00	9.72	10.14	10.57	11.00	11.43
75	764.90	9.72	10.14	10.57	11.00	11.43
76	732.40	9.72	10.14	10.57	11.00	11.43
77	700.60	9.72	10.14	10.57	11.00	11.43
78	669.60	9.73	10.15	10.58	11.01	11.44
79	639.30	9.73	10.15	10.58	11.01	11.44
80	609.70	9.73	10.15	10.58	11.01	11.44
81	581.00	9.74	10.16	10.59	11.02	11.45
82	553.10	9.76	10.18	10.61	11.04	11.47
83	526.00	9.78	10.20	10.63	11.06	11.49
84	499.70	9.79	10.21	10.64	11.07	11.50
85	474.30	9.82	10.24	10.67	11.10	11.53

## Refund Annuity

20	\$2,671.00	\$12.61	\$13.05	\$13.49	\$13.93	\$14.37
21	2,651.30	12.52	12.97	13.41	13.85	14.27
22	2,631.20	12.44	12.87	13.31	13.75	14.19
23	2,610.60	12.34	12.77	13.21	13.65	14.09
24	2,589.60	12.25	12.68	13.12	13.56	14.00
25	2,568.20	12.16	12.59	13.03	13.47	13.91
26	2,546.40	12.07	12.50	12.93	13.37	13.81
27	2,524.10	11.98	12.41	12.84	13.28	13.72
28	2,501.30	11.88	12.31	12.74	13.18	13.62
29	2,478.20	11.79	12.22	12.65	13.09	13.53
30	2,454.60	11.69	12.12	12.55	12.98	13.42
31	2,430.50	11.60	12.03	12.46	12.89	13.33
32	2,406.00	11.50	11.93	12.36	12.79	13.23
33	2,381.10	11.40	11.83	12.26	12.69	13.13
34	2,355.80	11.30	11.73	12.16	12.59	13.03
35	2,330.00	11.20	11.63	12.06	12.49	12.92
36	2,303.80	11.10	11.53	11.96	12.39	12.82
37	2,277.20	11.00	11.43	11.86	12.29	12.72
38	2,250.30	10.90	11.33	11.76	12.19	12.62
39	2,222.80	10.79	11.22	11.65	12.08	12.51
40	2,195.00	10.69	11.12	11.55	11.98	12.41
41	2,166.90	10.59	11.02	11.45	11.88	12.31
42	2,138.40	10.48	10.91	11.34	11.77	12.20
43	2,109.40	10.38	10.81	11.24	11.67	12.10
44	2,080.20	10.27	10.70	11.13	11.56	11.99
45	2,050.70	10.17	10.60	11.03	11.46	11.89
46	2,020.70	10.06	10.49	10.92	11.35	11.78
47	1,990.50	9.95	10.37	10.80	11.23	11.66
48	1,960.00	9.84	10.26	10.69	11.12	11.55
49	1,929.20	9.73	10.15	10.58	11.01	11.44
50	1,898.00	9.62	10.04	10.47	10.90	11.33
51	1,866.80	9.51	9.93	10.35	10.78	11.21
52	1,835.20	9.40	9.82	10.24	10.67	11.10
53	1,803.30	9.29	9.71	10.13	10.56	10.99
54	1,771.50	9.18	9.60	10.02	10.45	10.88
55	1,739.30	9.06	9.48	9.90	10.32	10.75
56	1,706.90	8.95	9.37	9.79	10.21	10.64
57	1,674.50	8.83	9.25	9.67	10.09	10.52
58	1,642.00	8.72	9.14	9.56	9.98	10.41
59	1,609.20	8.60	9.02	9.44	9.86	10.28
60	1,576.60	8.49	8.91	9.33	9.75	10.17
61	1,543.90	8.37	8.79	9.21	9.63	10.05
62	1,510.90	8.25	8.67	9.09	9.51	9.93
63	1,478.20	8.13	8.55	8.97	9.39	9.81
64	1,445.50	8.01	8.43	8.85	9.27	9.69
65	1,412.60	7.90	8.32	8.74	9.16	9.58
66	1,380.10	7.78	8.20	8.62	9.04	9.46
67	1,347.70	7.66	8.08	8.50	8.92	9.34
68	1,315.10	7.54	7.96	8.38	8.80	9.22
69	1,282.90	7.42	7.84	8.26	8.68	9.10
70	1,251.10	7.30	7.71	8.13	8.55	8.97

(CONTINUED ON NEXT PAGE)



There are many  
Jim Watsons

His FAMILY may have been lucky, you'll have to judge that for yourself. But Jim Watson\* never knew how good his life insurance was. Like many another man he bought a policy he didn't keep up. Two quarterly premiums were paid, the next two were taken care of by loans against the first year cash value. When the policy lapsed on the anniversary enough of that first year value remained to extend the insurance to the following November. Jim Watson died October 25 and his wife received the face of the policy less only the loan and interest.

\*One of a number of other names would do because such claims are not infrequently paid by the Mutual Benefit.

**The Mutual Benefit**  
LIFE INSURANCE COMPANY • NEWARK, N. J.

## 76% INCREASE

IN NEW BUSINESS WRITTEN

During First Six Months of 1934 As Compared  
With Same Period of 1933.

## WOODMEN OF THE WORLD

LIFE INSURANCE ASSOCIATION

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OMAHA, NEBR.

ASSETS MORE THAN \$117,000,000.00

Over Forty Years of Faithful Service

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The only exclusive accident and health paper published.  
It gives ideas and suggestions that help you sell income protection insurance.  
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## The Case of Bob Hardy

¶Bob Hardy was a consistent producer. He rode out two depression years with gains.

¶But his personal production was off 60% in 1932. Bob felt that the world was going to the bow wows and he was going out of business.

¶Through personal contact from and cooperation of the Home Office, Bob Hardy restored his morale.

In 1933 his production gain was 40%.

In 1934 his gain the first ten months was 100%.

¶Other able Fieldmen attribute their increase in 1934 to stimulation by personal contact from the Home Office.

  
**The LAMAR LIFE INSURANCE COMPANY**  
*Established 1906*  
**JACKSON, MISSISSIPPI**  
LAMAR LIFE TOWER

**NEW JERSEY** **NEW YORK**  
**INDUSTRIAL—INTERMEDIATE**  
**The Colonial Life Insurance Company**  
OF AMERICA  
**HOME OFFICE—JERSEY CITY, NEW JERSEY**  
**Ordinary — Group**  
**"A Good Company To Represent**  
**—Represent a Good Company"**  
**PENNSYLVANIA** **CONNECTICUT**

## OHIO IN 1935

Atlantic Life in 1935 will devote special efforts to building its organization and extending its operations in the State of Ohio. A number of capable men have already accepted appointments under our liberal General Agency and District Agency contracts, and will be assisted in their work by an experienced Supervisor devoting his full time to the development of that State.

There are still splendid opportunities to represent this Company in leading centers of Ohio. Underwriters interested in learning fully about the details of our attractive plan are invited to write to Eugene A. Hahne, Supervisor, 1207 Mercantile Library Building, Cincinnati.

## Atlantic Life Insurance Co.

RICHMOND, VIRGINIA

Angus O. Swink  
President

William H. Harrison  
Vice-Pres. & Supt. of Agencies

(CONT'D FROM PRECEDING PAGE)

Age a yr.	Price of \$100 Income	Annual Dividends				
		1	2	3	4	5
71	1,219.10	7.18	7.59	8.01	8.43	8.85
72	1,187.40	7.05	7.46	7.88	8.30	8.72
73	1,156.40	6.94	7.35	7.76	8.18	8.60
74	1,125.30	6.82	7.23	7.64	8.06	8.48
75	1,094.30	6.69	7.10	7.51	7.93	8.35
76	1,064.50	6.58	6.99	7.40	7.82	8.24
77	1,034.50	6.45	6.86	7.27	7.68	8.10
78	1,004.50	6.33	6.74	7.15	7.56	7.98
79	975.90	6.22	6.63	7.04	7.45	7.87
80	947.50	6.10	6.51	6.92	7.33	7.74
81	919.00	5.98	6.39	6.80	7.21	7.62
82	891.20	5.86	6.27	6.68	7.09	7.50
83	864.70	5.74	6.15	6.56	6.97	7.38
84	838.20	5.63	6.04	6.45	6.86	7.27
85	811.70	5.51	5.92	6.33	6.74	7.15

### Special Life Annuity (Guaranteed Income Per \$10,000 Single Premium)

Age	Age	Age
20	333.70	459.80
25	341.90	503.20
30	352.00	560.50
35	364.70	636.70
40	380.60	738.70
45	400.70	876.40
50	426.50	1,062.50

Dividends payable in 1935 on the 3½ percent retirement annuities, which are the same for all ages at issue, also are announced. These, for the contracts in units of \$100 annual premium and for single consideration of \$1,000, are:

End of Contract Year	\$100 Premium		\$1,000 Consideration	
	Div.	Acc. at 3.75%	Div.	Acc. at 3.75%
1	...	...	\$2.08	\$ 2.08
2	0.71	0.71	3.61	5.77
3	1.28	2.02	3.72	9.71
4	1.85	3.95	3.83	13.90
5	2.43	6.38	3.94	18.36
6	3.04	10.54	4.06	23.11
7	3.79	14.73	4.17	28.15
8	4.54	19.32	4.28	33.49
9	5.31	25.87	4.39	39.14
10	6.10	32.94	4.50	45.11
11	6.89	41.07	4.62	51.42
12	7.69	50.30	4.72	58.07
13	8.50	60.69	4.82	65.07
14	9.33	72.30	4.92	72.43
15	10.16	85.17	5.01	80.16
16	11.00	99.36	5.09	88.26
17	11.72	114.81	5.17	96.74
18	12.44	131.56	5.22	105.59
19	13.16	149.65	5.28	114.83
20	13.89	169.15	5.31	124.45

## Forty-eight Years With Berkshire Are Celebrated

(CONTINUED FROM PAGE 3)

Mr. Furey went to Pittsburgh at 15 years of age as an office boy in the Berkshire agency. He was later taken into the general agency firm and in 1926, at the death of H. D. W. English, general agent, Mr. Furey became sole general agent. Five years ago he admitted his son, W. R. Furey to the firm.

The Berkshire Life established its Pittsburgh agency 63 years ago with George W. English as general agent.

About five years later his younger brother, H. D. W. English, became a partner. George W. English later was appointed general agent in New York City. H. D. W. English was an uncle of Mr. Furey. Mr. Furey was made a partner in 1905 under the firm name of English & Furey.

In December, 1892, F. H. Rhodes, now the president of the company, entered the Pittsburgh agency as office boy, remaining there for 18 years, when he was made general agent in New York City. In length of service Mr. Furey is the dean of the Berkshire Life field force. He served as president of the Pittsburgh Chamber of Commerce and was treasurer of the Pittsburgh Hotels Company. He is a director of the Colonial Trust Company, the Pennsylvania State Chamber of Commerce and the Pittsburgh Chamber of Commerce. He is a member of the sinking fund commission of Pittsburgh, a member of the board of governors of the Longue Vue Club, president, director and chairman of the executive committee of the Western Pennsylvania School for the Blind, a director of the Pittsburgh Athletic Association and the Homeopathic Hospital. He is a member of the executive committee of the National Association of Life Underwriters and was formerly chairman of that committee.

## Industrial Insurers in Silver Jubilee

(CONTINUED FROM PAGE 3)

man of the Reliable Life & Accident of St. Louis, as chairman of the committee on the good of the conference, for the amalgamation of the interests of all members of the conference under the general supervision of one chief executive. Mr. Tatman stated that while the plan might require careful consideration, other industries had profited by such a procedure.

### Agent Analyses Suggested

In his address on "Analyzing Human Nature," Dr. Julian Pennington of Atlanta suggested such analyses for the selection of proper representatives and executives of companies. Dr. Pennington suggested that companies compile questionnaires of ordinary and psychological queries to assist in the appointment of their representatives.

An address of friendship and appreciation was given by Louis Phillips of the "American Insurer," who was designated as the "father of the conference."

With the exception of an address by John G. McKay, Miami attorney, on "Facility of Payment Clause," and remarks by Commissioner W. V. Knott of Florida, all of the last two days of the conference were in executive session.

A memorial was adopted on the death of the late R. H. Dobbs, president of the Industrial Life & Health of Atlanta, who died last year shortly after being elected president of the conference.

The annual golf tournament and other social features formed the entertainment program.

The question of whether or not companies that are members of the Industrial Conference should continue the writing of accident and health insurance, in view of the increasingly heavy loss ratio on that line, has been one of the big subjects at its meetings for several years. Some of the companies have quit writing that line entirely, while others contend that it is possible to continue it, if placed on a proper basis. The two sides of the controversy were presented at the round table session, when H. T. Dobbs, vice-president Industrial Life & Health, spoke on "Why Health & Accident Insurance?" and G. W. Mumford, secretary Home Security Life, on "Why We Have Stopped Writing Health & Accident."

Mr. Dobbs in his talk referred to the



fact that most of the companies represented began by writing only health and accident and that they were built up on that basis. He stressed the social and economic necessity for this form of protection and declared that if the companies writing it should quit business and the entire load of relief for sickness and accidents be dumped on the government, it would be impossible to carry that load, "without practically confiscating most all of our properties and salaries in the way of taxation."

#### Says Companies Too Generous

He blamed the troubles that have been experienced on the fact that the companies have been "too generous in administering the health and accident business." He said that as the companies branched out into the life insurance field, they became lax in the adjustment of health and accident claims. "Our policyholders soon learned," he said, "that claims would be allowed for almost any kind of sickness or accident and it seemed to become a race between the companies to see which could pay the most claims. As a consequence, our claim percent on health and accident business mounted by leaps and bounds."

"While our actuaries tell us that our companies are losing much money each year on the health and accident features of our policies, yet we seem not to be interested in doing anything about it. If our rates are wrong, we should get them right, and above all, we should only allow claims that are just according to our policy contract. This can only become accomplished through strict control of our agents, giving them to understand that we will not tolerate them criticising other company agents in disallowing unjust claims. Then the health and accident business will become self-sustaining again, and our present rates will be ample."

The address of Commissioner Knott called attention to the need of some proper form of government unemployment insurance and condemned life companies that used the mails for solicitation. Action upon the part of the commission recently prevented such companies from obtaining charters in Florida.

The law committee, under the chairmanship of past President P. M. Estes referred to the impending danger of governmental investigation and control of the life insurance business. He urged that the National Convention of Insurance Commissioners at its meeting at St. Petersburg next month combat such a probability and that its protest against "a brain trust at Washington endeavoring to control a business that has been ably supervised by the various state insurance department heads." Mr. Estes spoke of the dangers of the funeral associations and stated that his company has recently promulgated a policy provision that will meet the competition.

#### Service Bureau Proposal

Suggestions for the establishment of an industrial service bureau were offered by Actuary William Wallace of the Carolina Life in his address on "A Bureau for Rejected Risks." Treasurer E. L. Phillips of the Gulf Life of Jacksonville, in his address on "How We Get Our Industrial Agents to Produce Ordinary," stated that successful efforts depend largely on the selection of proper agents.

The conference voted to increase its annual dues from .201 of 1 percent of premiums to .401 of 1 percent, with minimum dues of \$50 and a maximum of \$100. The applications of the Seawane Life of Jacksonville and the First National of New Orleans were referred to the executive committee for action at its spring meeting. This being the usual procedure.

#### Agency Production Records

Indianapolis agency, Pacific Mutual Life—135.5 percent increase in business to date.

M. L. Woodward, Detroit, Northwestern Mutual Life—Gain in paid business in October for 13th consecutive month. Ten-month total 25 per cent ahead.

## Company Practices Relating to Policy Changes Studied

(CONTINUED FROM PAGE 2)

by agents especially in their first contract year.

E. E. Rhodes, Mutual Benefit Life, reverted to the question of giving notice when the cash value is being exhausted.

The general rule, he said, regarding satisfaction of loans, made on collateral security is that the pledgee must dispose of his security at public sale after advertisement. It has been held that a life company making policy loans is in no different situation from that of any other pedigree. This has been firmly held in Kentucky. It has been modified in that state only by a holding that a life company might obtain a court order authorizing termination of the policy.

In other states, the rule has been adhered to, but the court recognized that policies differ from other forms of collateral in that they do not have a ready market value and the courts have sustained forfeiture provided the value allowed by the company was fair and equitable. In one state a court set aside a forfeiture because the value was not fair or equitable.

#### Two Situations Seen

On paid-up policies, two situations may arise, according to Mr. Rhodes. One is when the interest falls due, the indebtedness will exceed the cash value and the other is where, if it does not exceed the cash value at that time, the indebtedness will exceed the cash value at the end of the ensuing policy year.

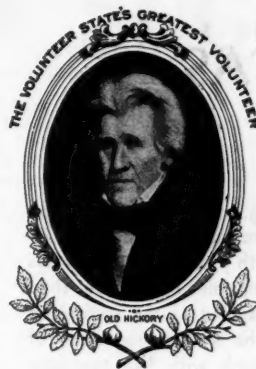
If the phrase is used: "Within the limit secured by the cash value," the company, he said, could cancel the policy at the beginning of the year instead of at the end.

## Too Much Emphasis Placed on Liquidity, Zinn Declares

INDIANAPOLIS, Nov. 22.—"It is quite likely that, if the trend toward high liquidity continues, new problems will result from considerably lower income returns," was the warning of A. A. Zinn, vice-president and manager of the mortgage loan department of the State Life of Indianapolis in a talk before the Indianapolis Chartered Life Underwriters. Mr. Zinn is a past president of the Mortgage Bankers Association of America. After reviewing investment trends of the past 30 years, Mr. Zinn counseled against being misled by the weather vane of current trends and advised that the compass of experience be held as the conservative investment guide.

"Today there is a trend, not only among life companies but financial institutions in general and many individuals, toward extreme liquidity—liquidity beyond any reasonable necessity; liquidity for liquidity's sake only, and, it seems in some instances, liquidity for the purpose of calling attention to that fact in their financial statements," he declared. "A life company, in its investments, should first consider safety of principal for the protection of its policyholders; secondly, adequate return on those investments to enable it to give protection at a cost as low as possible; and, thirdly, sufficient liquidity to enable it to meet the demands of current operation, including claims, matured endowments, policy loans and cash surrenders."

"It is most unlikely that any of us shall ever see again the unusual demands made upon life insurance companies for cash withdrawals or the necessity for excess liquidity that was encountered in 1930 to 1932, inclusive," Mr. Zinn declared. "The flood stream of cash withdrawals has been crossed. There being no prospect for an early return trip, why should it be necessary to stop the march of progress while we build the bridge of high liquidity?"



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Chattanooga, Tennessee

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## NEWS OF THE FRATERNALS

### Missouri Congress in Meet

President Karel of National Fraternal Congress on Program at St. Louis

More than 150 delegates attended the two-day Missouri Fraternal Congress convention in St. Louis. The organization, affiliated with the National Fraternal Congress, is composed of fraternalists with combined membership of about 75,000.

Judge J. C. Karel of Milwaukee, president of the N. F. C., was the principal speaker, stressing the strength of insurance investments. He warned delegates to be prepared to combat the adoption of various forms of state taxes on all kinds of life insurance proceeds. The organization later adopted a resolution opposing such taxes.

Mrs. Lillian M. Cook of St. Louis, president of the state congress and a member of the Woodmen Circle, was another speaker and presided at sessions. Other speakers were Claude Manlove, state manager Woodmen of the World; Mrs. Dora Alexander Talley of Omaha, president Woodmen Circle; Rev. C. O. Johnson, pastor Third Baptist church, St. Louis. S. M. McKay, Jefferson City, prosecuting attorney Cole county, who spoke on "Publicity and Its Relation to Fraternal Societies," and G. M. Bird, editor "The Fraternal Field" on "Building for the Future."

A good fellowship dinner was held, Mrs. Katie Ferguson, Woodmen Circle, presiding.

### Ohio Fraternal Congress

#### Votes Juvenile Broadening

The Ohio Fraternal Congress, at its annual meeting in Columbus, elected Franklin Rubrecht of Columbus president for his 16th year. E. L. Young of Norwalk was elected first vice-president; E. A. Myers, Toledo, secretary, and J. T. Carroll, Columbus, treasurer. The congress approved writing of juvenile insurance at any age, and also that the child parent need not be a member of the order; that not only next of kin, but anyone including an institution, may be named as beneficiary, where the in-

sured has no close relatives to care for him. It was proposed to ask the legislature to exempt fraternal insurance organizations from taxes on surplus and reserve, on the ground that the societies are not incorporated for profit and all the funds belong to members.

### Arrest Former Fraternal

#### Head on Federal Charge

Albert Hass, former president of the Modern Brotherhood of America, was arrested in Mason City, Ia., on a federal charge of using the mails to defraud in connection with the merger several years ago of the brotherhood with the Independent Order of Foresters of Toronto. This action followed return of an indictment by the federal grand jury at Fort Dodge last week.

In a civil suit filed nearly a year ago in Davenport, Ia., Hass, among other defendants, was charged with receiving \$300,000 in salaries and commissions in connection with the merger without knowledge of policyholders, a group of policyholders being plaintiffs. This case is pending.

Hass appeared before United States Commissioner Harold Barlow and gave \$5,000 bond.

Indicted with Hass were C. R. Parks, Parks Service Co., Chicago; Sam Sparrow, Kansas City, Mo., former general counsel M. B. A., and three former M. B. A. directors, W. P. Curtis, Chicago; F. C. Parnell, Boscobel, Wis., and W. A. Knight, Battle Creek, Mich. The Parks Service Co. was said to have arranged details of the merger.

### Gross Is District Manager

The New Era Life Association has appointed C. A. Gross district manager for Saginaw, Mich., succeeding E. O. Larson who has been transferred to western Michigan territory. Mr. Gross is a former secretary-manager of the Cadillac chamber of commerce.

### Bradshaw Injured in Accident

De E. Bradshaw, president of the Woodmen of the World, sustained a broken leg and many bruises and cuts in an automobile accident near Junction City, Kan. His wife escaped with minor injuries.

## AS SEEN FROM NEW YORK

By R. B. MITCHELL

### NEW YORK CITY MEN ATTEND

Ten members of the New York City Life Underwriters Association attended the meeting of the state association last week at Poughkeepsie. Those attending were J. M. Fraser, general agent Connecticut Mutual Life and president of the city association; J. S. Myrick, manager Mutual Life of New York and honorary president of the state organization; C. D. Connell, vice-president state association; G. A. Kederich, manager New York Life and former president of the state body; R. G. Engelsman, general agent Penn Mutual Life; Lloyd Patterson, general agent Massachusetts Mutual; Glenn B. Dorr, unit manager, Northwestern Mutual Life; Leon Gilbert Simon, Equitable Life of New York; Arthur V. Youngmen, Mutual Benefit Life; and E. M. Derby, executive manager, New York City association.

\* \* \*

### INAUGURATES C. L. U. COURSE

The Luther-Keffer Agency, general agents in New York City for the Aetna Life, has inaugurated a special C. L. U. review course for its agents. It is administered entirely by members of the agency and most of the instructors are

C. L. U.'s. Enrollment is optional and some 20 agents are taking advantage of the course to prepare for the examinations. The course is conducted by E. H. White, estate planning manager.

\* \* \*

### J. M. FRASER MADE CHAIRMAN

J. M. Fraser, general agent Connecticut Mutual Life and president New York City Life Underwriters Association, has been made chairman of the special committee recently appointed by President E. W. Allen of the New York City Life Management Association to study the part-time agent problem.

### Agency Production Records

Texas agency, Lincoln National Life—Increase of 37 per cent in paid business for the first ten months of 1934 for El Paso agency. Houston shows increase in paid business of 47 per cent, Dallas, 98 per cent, and Fort Worth 130 per cent.

J. O. Andrews, Denver, Union Central Life—October paid business \$314,610, ten months total \$3,345,235. Paid business for the last 12 months \$4,055,075—the best 12 months record since 1920. A. W. Tell, with \$727,353 and G. P. Williams with \$507,207 in paid business in ten months lead agency.



# SALES IDEAS AND SUGGESTIONS

## Agents Need Readjustments to Change in Times

Most life agents are not fully adjusted to the changed times in their selling methods. H. E. North, second vice-president Metropolitan, told the Philadelphia association in the November meeting. Mr. North is in charge of the Metropolitan's agents' training activities, and was general chairman directing Financial Independence Week activities this year.

Many agents, he said, are taking too much for granted. There are a number of things in connection with present day selling to which they do not give enough thought. The public at large knows what life insurance is, appreciates it, and believes in it, but this is not sufficient to make people come in to buy it over the counter.

Mr. North suggested first measuring one's individual personalities, the physical, emotional and intellectual factors involved. Personality can be developed, he said. Next, there is knowledge of the business which, however, does not become power until it is put to work. The business must be translated into terms that the prospect will understand.

Agents are apt to forget that people are a great deal more "eye-conscious" than "ear-conscious," and sales talks should be checked up with this in mind. The greatest artists in any line of endeavor, Mr. North said, never stop practicing. Mr. North said there are four broad types of prospects, the man who

is in a position to buy today if agents can effectively present the product to him; second, the small buyer who should be carefully cultivated because he may be a large buyer tomorrow; third, the small buyer who in all probability always will be small; fourth, the prospect whom agents often ignore because apparently he can not afford to buy. Such a man, if properly cultivated, may prove to be a good future prospect and a booster.

Mr. North said that personality, knowledge of the business and other necessary attributes of a salesman are worth little without some plan of action. There are many plans of action which are good if the agent will only work them.

### DAY OF SMALLER "APPS"

Many life agents are missing sales because they have not sufficiently readjusted their sights to the lower levels of 1934, it is believed by Vincent Burke, agency organizer of the Heifetz agency of the Mutual Life of New York in Chicago. Mr. Burke has noted many times that prospects who formerly carried goodly amounts of life insurance, when approached by an agent on a proposition to buy \$10,000 or \$20,000, would discuss the proposal but could not be

closed for this amount. It is believed they hesitate to confess that they no longer can afford to buy so large an amount and take the alternative of buying nothing.

This is a year of small applications, Mr. Burke says. The large proportion of apps coming through is for amounts under \$5,000, and by all odds the great majority are for \$1,000, \$2,000 or \$3,000.

It is a good time temporarily to forget programming, estate analysis and all the other more complicated branches of life insurance selling, and to concentrate on selling life insurance, he says. Mr. Burke believes the average man's experience with a life plan is limited largely to putting small amounts of money in a savings account or making small investments as he accumulates the money.

When he is approached by a life agent with a highly detailed plan which is presented as meeting every financial contingency of life, Mr. Burke believes, the idea is somewhat over the average man's head. It is a splendid plan, but he does not understand it even after the agent has got through talking for an hour or so. It is much better to temporize and get the man signed up for a small amount, leaving the estate analysis to later, less trying times.

Mr. Burke finds that most agents in these days need to have a "shot in the arm" every few days. They can be cajoled, inspired, flattered and prodded to a point where they go out and sell business, but the effects wear off after two or three days and the agency managers must pep them up again. The effervescence passes quickly when the agent gets out on the street talking to men who wail about the hard times, inveigh

## SALES IDEAS OF THE WEEK

Definite planning, persistence, proper approach and tact in avoiding argument with the prospect are essentials to successful selling said Frederick Bruchholz, Chicago agency director for the New York Life, before the November meeting of the Milwaukee association in speaking on "Closing the Sale." The agent, he said, must know what he is going to do and then go out and do it.

\* \* \*

Brevity in a sales talk used by every agent in a certain agency, secured by "boiling it down" so that instead of 50 minutes, it required only 25 minutes to deliver, resulted in fully as many sales per interview, and saved the time of the agents, K. H. Mathus, editor of publications Connecticut Mutual Life states in his new book, "More Sales."

There had been several attempts to abbreviate the talk, but with little success. One man said, "I'm just as sure that that talk can be shortened as I am that it needs to be." He did it simply by cutting out needless verbiage.

against the administration and the NRA, insist upon debating the whole subject of inflation, etc.

The agent today has no business to waste his time arguing these abstract issues. Every minute of his time on the street is worth money and he makes his commission purely by selling and paying for business.

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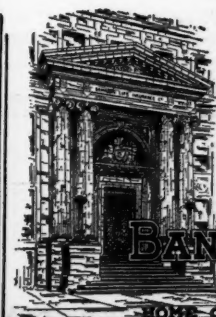
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## N. F. C. Meeting to Have Round Table

(CONTINUED FROM PAGE 3)

N. F. C. and head of the Equitable Reserve Association of Neenah, Wis., will preside.

The presidents' section will be presided over by F. W. Heckenkamp, president Western Catholic Union, Quincy, Ill. A subject of vital interest to be taken up in this section will be progress of the plan for a nation-wide institutional advertising campaign of societies, which will be reported on by Vice-president N. J. Williams, of the Equitable Reserve. The plan is in the hands of a special committee headed by President John C. Snyder of the Ben Hur Life, Crawfordsville, Ind.

The press section will hold a breakfast, starting at 8 a. m., Dec. 4, James Wilmeth of the Junior Order of United American Mechanics, Philadelphia, presiding.

The Fraternal Society Law Association, which is unaffiliated with the N. F. C. but has interests in common, also will hold its meeting in St. Petersburg, Dec. 4-5. Other sections to meet will be the secretaries and actuaries, it being reported the medical section will not hold a formal gathering at this time. A session of great interest will be the joint meeting of the sections with the presidents' section, a feature which has been the highlight of meetings for some years.

Other committee reports to be made, and the committee chairmen are: State of the order and statistics, T. R. Heaney, secretary Catholic Order of Foresters, Chicago; bureau of publicity, Mrs. Elizabeth M. Mehan, Milwaukee; Women's Catholic Order of Foresters; legal cooperation, F. A. Service, Sharon, Pa.; fraternal ethics, E. M. Mason, Ben Hur Life; lodge activities, Mrs. Dora Alexander Talley, head of the Woodmen Circle, Omaha; junior membership, Mrs. Mary E. Arnholt, Royal Neighbors, Rock Island, Ill., gen-

eral welfare, F. E. Hand, Toronto, Independent Order of Foresters; revision of blanks, William Eldridge, Boston, consulting actuary.

Assets of 166 societies, a group including approximately all of the fraternal societies of any consequence, show as of Jan. 1, 1934, that 61.7 percent was invested in bonds, 20.1 percent mortgage loans, 6.6 percent real estate and 11.6 percent other assets. The total assets of the group was \$1,047,760,250.

It is probable that a large percentage of the bonds are municipals, as many societies have invested a great proportion of their assets in this field. It is not known exactly what proportion of the mortgages are on farms and city property, but a much larger part of the holdings is certain is farm mortgages, and the proportion is probably considerably heavier than among old line legal reserve companies.

## New York Agents' Part-timer Plan

(CONTINUED FROM PAGE 1)

at its last session 55-b, giving similar protection to disability income payments.

Syracuse was selected for the annual state sales congress next spring.

To foster continuance of the close relationship of the association with some former officers and delegates who have been active in the past and would like to continue so, the association amended by-laws to create the office of honorary delegates, such delegates to be elected.

Four were elected at the meeting: F. A. G. Merrill and N. E. Turgeon, both of Buffalo; H. R. Lewis, Rochester, and V. B. Coffin, Hartford. Mr. Coffin is superintendent of agencies Connecticut Mutual Life, but his close association with the state association in the past during which he served as secretary-treasurer for four terms, made his selection a popular one although he no longer is located in the state.

R. B. Hull, managing director National Association of Life Underwriters, the speaker at the luncheon session, gave his inspiring talk on the quest for economic security. He predicted that governmental insurance, pensions and other forms of social insurance never will take the place of life insurance and annuities for men who are interested in providing more than the extremely limited coverage to which government insurance necessarily must be limited.

## Life Presidents' Program Issued

(CONTINUED FROM PAGE 1)

Messages of greeting from the American Life Convention, Canadian Life Insurance Officers Association, and National Association of Life Underwriters.

Thursday, Dec. 13, 2:30 p. m.

"Science, Your Obedient Servant," Karl T. Compton, president Massachusetts Institute of Technology, Cambridge, Mass.

"Life Insurance in the Service of America's Health," Robert A. Fraser, chief medical director, New York Life.

"Life Insurance in Economic Crises," John S. Thompson, vice-president and mathematician Mutual Benefit Life.

Friday, Dec. 14, 10 a. m.

"Investing for Security—a Life Insurance Service," Oswald J. Arnold, president Northwestern National Life, Minneapolis.

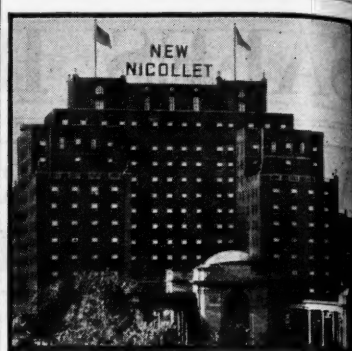
Address by John C. B. Ehringhaus, governor of North Carolina.

Friday, Dec. 14

"The Interest of the Investor in Sound Education," John Stewart Bryan, publisher Richmond "News-Leader," Richmond, Va.; president College of William & Mary, Williamsburg, Va.

"The Humanity of Life Insurance," Herman A. Behrens, president, Continental Assurance, Chicago.

"American Ideals in Agency Service," Eldon B. Stevenson, Jr., vice-president National Life & Accident, Nashville,



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